

CILEx Regulation

2025

ANNUAL REPORT



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Chair foreword: Jonathan Rees

I am delighted to introduce our report on 2025. It was a year of considerable challenges and significant opportunities. We end the year having helped over 1,000 Chartered Legal Executives gain practice rights and began the process of rebuilding relations with CILEX as the membership body, now that redelegation is no longer part of their immediate plans. We also published our second Equality Diversity and Inclusion strategy, and received a positive external evaluation of the effectiveness of our Board governance.

The second half of the year was of course dominated by the repercussions of the Mazur judgment. The case of Mazur vs Charles Russell Speechlys LLP – a case, ultimately, about costs associated to a completely unauthorised person – caused a shockwave throughout the legal system and created enormous uncertainty for so many, with Chartered Legal Executives at the heart of the fallout. The initial judgment and subsequent Court of Appeal judgment demonstrated just how complex this area of law is. Questions about the role of authorised and unauthorised individuals, effective supervision, ‘carrying on’ and the conduct of litigation were trawled over.

Now that we have time to look back and reflect, I am of the view that the response to the crisis has been remarkable. The resilience and fortitude of so many Chartered Legal Executives, who faced overnight uncertainty, was extraordinary. That over 1,000 have now been authorised with practice rights to conduct litigation is testament to their skills and abilities. I am also proud of how the CRL team responded to the crisis. We increased our operational capacity to assess and authorise practice

rights applications by ten-fold in the space of a few weeks, with limited additional resources. We also met the 11 week deadline we set for processing applications. So many of the team worked tirelessly for weeks on end and they deserve great credit.



Jonathan Rees
CRL Chair

As the dust is beginning to settle, it is clearly right that we reflect on what went well, and what could be improved. The Board will over the summer publish a detailed lessons learned report, but it is already clear that we need to improve our responsiveness to, and engagement with, the regulated community. It is also evident that the need for additional practice rights was not always fully understood, and that many of those we regulated thought them unnecessary. My own view is that the increase in take-up of practice rights will ultimately be seen as beneficial to the standing and reputation of legal executives reflecting their skill, experience and expertise. Finally, it showed the importance of regulators and membership bodies singing from the same hymn sheet and giving clear guidance to both the profession and consumers.

While Mazur dominated the second half of 2025 and first months of 2026, we achieved much alongside it. In November, we published our second Equality, Diversity and Inclusion strategy. The CILEX route continues to be a pathway into law for those from diverse backgrounds and our refreshed strategy aims to improve access to legal

services, identify and address the barriers faced by those we regulate and ensure consumers are well served by legal service providers.

We also made important contributions to the policy debate. In February 2025 we held a roundtable looking at the legal system as a whole and the growing role played by those unauthorised by any legal regulator. Our shared conclusion is that it's time to modernise legal regulation so that it is based on risk not title. More generally, we need a regime that is more proportionate, more transparent and which guarantees regulatory independence. 25 years on from the gestation of the Legal Services Act, we need to create a regulatory framework that is fit for the 2030s and not rooted in the last century.

The other major shift in 2025 has been improved relations with CILEX. We very much welcome the SRA and CILEX's recent announcements that they are no longer pursuing redelegation. Our view has always been that the proposed action was unlawful, but just as important not in the interests of either the regulated community or consumers. A constructive, collaborative and, where necessary, challenging relationship between professional body and independent regulator is essential to delivering good outcomes for both consumers and the profession. It will clearly take time to rebuild relations after the often bitter disputes of the last 4 years but we are firmly committed to do so to benefit both Chartered Legal Executives and consumers.

We now have the organisational certainty and confidence to look forward - something both we the Board and Executive have been doing. We have committed to work with CILEX and other stakeholders to make the current system work better. From authorisation to standards through to



enforcement rules and procedures, we are engaging in a wide programme of reform to the system. This year, we launched a review of our enforcement procedures to ensure they remain effective and efficient. In particular, we are looking to reduce the number of cases that need to be heard by a Tribunal and thus reduce cost and burden.

There is much more to be done. In December, we commissioned research into stakeholder perceptions. Nearly 950 CILEX members took part – and we thank you for the time you took to respond. You said clearly that we have work to do to rebuild trust and engage with you more effectively. Our objective, as a regulator, is not to be universally popular but we do strive to be – and to be recognised as – effective and efficient. And I look forward to working with you to achieve this.

On governance, 2025 saw us commission an independent report into the Board's effectiveness which was carried out over the

summer of 2025. We were pleased by the Reviewer's conclusion that the CRL Board "demonstrates a high level of Board effectiveness in their governance, structures, process and Board meeting behaviours. He also noted that the "Board has shown innovation and transparency". We are now implementing the recommendations for improvement.

And lastly, I should like to thank my Board colleagues for their support, wisdom and commitment. This year we said goodbye to Professor Alice Belcher who completed her second term on the Board and welcomed Aaron Porter in her place. I should also like to extend my thanks to our panel and committee members who help us oversee our licensing, enforcement, risk and disciplinary processes. Finally, I should like to thank the CRL team, ably led by John Barwick, for their expertise, skill and hard work this year which gives me confidence for an exciting future.

CEO Report: John Barwick



John Barwick
Chief Executive Officer

2025 can be summarised as being a year of progress, adaptation and resilience at CRL. At the beginning of the year, we launched our new Corporate Strategy, covering the three years from 2025 to 2027. It has four objectives: to

promote high standards and public trust, to champion fair access to justice and consumer empowerment, to further CRL's independence and sustainability, and to be an authoritative, inclusive and capable organisation. As you will see in this report, we have made good progress towards these goals, but, for CRL and many Chartered Legal Executives, this year has certainly been a challenging one.

Navigating the aftermath of Mazur

2025 will be remembered for the impact of the judgment in the case of Mazur v Charles Speechleys LLP HC2025 which was handed down in September. The legal landscape faced substantial upheaval and sudden uncertainty for many Chartered Legal Executives. The stress and anxiety many faced as well as the strength to navigate the challenges posed was palpable.

The CRL team responded with agility and purpose. We recognised the significant uncertainty and anxiety the judgment had on the regulated community. Our focus was on providing an operational response which mitigated the impacts of the judgment whilst maintaining the standards it is our duty to

uphold. This involved taking some difficult decisions.

Faced with a large number of CILEX members requiring practice rights to continue to litigate, we chose to prioritise authorisation as a practical and ready solution. Since the original judgment, we:

- Expedited our application to the Legal Services Board to offer standalone litigation practice rights, which was approved on 31st October.
- Adapted our operating model to handle a significant increase in applications for practice rights. We redesigned our processes, hired a new panel of occupationally competent assessors and brought additional resource into the team. While we acknowledge that the process has not always been smooth, we, so far, have been able to approve 1,200 applications for litigation practice rights – for context, we approved a total of 166 applications for all types of practice rights in 2024. And throughout we have managed to maintain an average approval time of 10 and a half weeks for applications that pass screening and assessment first time.
- Produced interim guidance for Chartered Legal Executives in early October, which we updated iteratively. We subsequently released new guidance to account for the Court of Appeal judgment in May 2026.
- Published Frequently Asked Questions as well as a range of resources designed to support applicants pursuing practice rights.
- Engaged with stakeholders including trade associations, Chartered Legal Executives, CILEX and the CILEX Support

Group. As a result, we were able to hear firsthand the experiences of Chartered Legal Executives and, reflecting this, we temporarily adapted our evidential requirements for portfolio applications. In a recent survey, 27% of applicants said they made use of this.

- Launched a lessons learned exercise. As Jonathan Rees mentioned before me, we are keen to ensure we reflect on the experience, maintaining the progress we made and tackling the challenges faced. The report, which we will publish shortly, recognises that we did not get everything right and there were impacts resulting from the difficult decisions we had to make around prioritising our finite resources. We will endeavour to address our shortcomings. Indeed, the feedback received chimes with that we heard through our stakeholder perceptions research.

Regulating in the consumer interest

While the Mazur judgment naturally dominated our work in the second half of the year, CRL continued to deliver on our core regulatory activity throughout. Despite handling a 57% rise in complaints, the enforcement team have continued to make improvements, reducing the time taken to dispose of cases by 8 weeks and prior conduct cases by 4 weeks. We recognize we can go further. This year, we launched a review of our enforcement rules and processes, which have gone unchanged since 2018 – look out for a consultation in the second half of 2026.

We also invested in our supervisory arrangements, overhauling our approach to Anti Money Laundering (AML) supervision to be more risk-based and engaging directly on improving compliance with our new transparency rules. Later in the year, the Governments announced plans for AML

supervision to be centralised under the Financial Conduct Authority (FCA). Since then, we've been working with the FCA and others to ensure this transition is smooth and any risks are mitigated.

From a policy perspective, we took significant strides this year to improve outcomes in the interests of consumers. In particular, we consulted on and introduced new complaint handling rules and guidance for CRL regulated entities. These rules set clear expectations for firms to ensure they handle consumer complaints in the right way – consumers should be confident that if things go wrong, their complaint will be taken seriously. Equally, we are conscious that Artificial Intelligence can reduce the barrier to complaining and this has both benefits and consequences for consumers and firms. We continued to be actively engaged in sector wide discussions considering the opportunities and risks associated with the wider adoption of AI and other Law Tech.

Championing an Inclusive Future

At CRL, we are committed to Equality, Diversity and Inclusion. The CILEX route into law has consistently opened the profession up to a wider range of people. Our refreshed EDI strategy, published this year, continues to focus on improving access to legal services, identifying and addressing the existing barriers faced by those we regulate and ensuring consumers are well served by legal service providers.

In late 2025, we joined forces with the Bar Standards Board, Council for Licensed Conveyancers and Institute for Chartered Accountants in England and Wales to publish vital research into digital exclusion. What was clear from the research is that, while greater digitization of services works for many, it risks excluding or marginalising

those without the resources, skills or confidence to access legal services online.

Looking to 2026 and beyond

I write this halfway through 2026 – and much has changed since the end of 2025. As I noted earlier, we have been able to authorise nearly 1,200 Chartered Legal Executives as litigators, reflecting their experience, standing and effort. We have also significantly improved our relations with CILEX, which is to the benefit of all. With redelegation now no longer being actively pursued by CILEX and the SRA, we have the certainty to plan for the future and address some of the issues in the system to the benefit of both consumers and those that we regulate. The CRL team and I look forward to working with stakeholders to do just that.

Talking of the CRL team, I would like to extend my thanks to them. They have worked relentlessly throughout the year in challenging circumstances. I would also like to thank all our office holders, including the Board, regulatory panels and committees, for their work this year.



Who we are

CILEx Regulation Limited (CRL) provides independent regulation of CILEX's 7,600 authorised members, as well as around 9000 paralegals and other non-authorised members.

We are proud of the high standard of specialist regulatory services that we deliver to CILEX and its members. We are also proud of our robust governance, independent and cost-effective operational structure, and productive engagement with our regulated community.

Our mission is to be a high performing and responsive regulator that protects and promotes consumers' interests through strong evidence-based regulation.

Our purpose is to ensure high standards of professional conduct and competence, protecting and promoting the public and consumer interests, enhancing respect and understanding for CRL qualifications and maintaining the integrity and trust of the legal profession.

CRL achieves this by:

Regulating CILEx Members (including non-authorised members e.g. paralegals) and Firms: CRL oversees the professional conduct of CILEx members, ensuring they adhere to established standards and ethical guidelines. This includes setting and enforcing rules, handling complaints, and taking disciplinary actions when necessary.

Protecting the Public: CRL aims to protect consumers of legal services by ensuring that CILEx professionals and firms operate with integrity and competence. This involves ensuring that legal services are delivered competently, ethically, and in a manner that upholds public trust.

Promoting High Standards: CRL sets and maintains rigorous standards for education, training, and ongoing professional development for CILEx members. These standards are overseen by the LSB to be at the same level as those of other legal professionals such as Solicitors and Barristers. This helps ensure that members are well-qualified and up to date with the latest legal practices and regulations.

Enhancing Accessibility to Legal Services: CRL works to make legal services more accessible to the public, advocating for practices and policies that reduce barriers to obtaining legal assistance, and working with others to promote access to justice.

Supporting Regulatory Objectives: CRL supports broader regulatory objectives such as promoting competition in the legal market, encouraging an independent, strong, diverse, and effective legal profession, and increasing public understanding of the citizen's legal rights and duties.

Our 2025-27 Strategy

Our 2025-2027 strategy seeks to build on the achievements of the 2022-2024 previous three-year strategy. To deliver CRL's core work of protecting consumers' interests, we have developed four key strategic objectives for the next three years, our aims for these areas of work and where we expect to be at the end of the three-year period.

1

Standards and public trust

We will promote high quality professional practice that enables the individuals and entities that we regulate to meet our standards, so they are able to adapt to changes in the delivery of legal services and utilise the benefits of innovation and law tech which meet the needs of consumers.

Where we expect to be in 2027:

Our regulatory standards, policies and guidance help the individuals and entities we regulate to adapt to the changing legal services market, so they meet the needs of consumers.

- Our approach to continuing professional development improves professionalism, champions high standards and reduces incidents of poor conduct and unethical behaviour. CRL's approach is recognised as a beacon of good practice.
- Developed and enhanced innovative approaches to service in legal regulation and enabled the adoption of new technology, including AI, to improve legal services delivery and our internal processes.
- CRL is recognised for its innovative approach to the delivery of legal services regulation.

2

Access to justice and consumer empowerment

We will champion fair access to all in the legal services market. We will continue to improve the information available to consumers to improve accessibility to legal services, so they are able to make informed choices and have confidence in the legal professionals they engage with.

Where we expect to be in 2027:

- Through the development of the Legal Choices website and establishing the Regulatory Information Service (Single Digital Register) and further development of Quality indicators, consumers have the high-quality information they need to choose good legal representation.

- Subject to the outcome of the CILEX proposals, have supported CILEX members to make it easier and more cost-effective to start up a law firm ('Law Firm in a Box'), providing greater choice to consumers within diverse communities.
- Consumers have an increased understanding of the consumer protections available in the legal services sector and gaps that exist with the unregulated sector are highlighted.

3

Independence and sustainability

We promote the value and importance of independent, specialist regulation, ensuring CRL is able to work without fear or favour and its independence is protected.

Where we expect to be in 2027:

- Through our contribution to the LSB's review of the Internal Governance Rules (IGRs), CRL is able to exercise its powers freely and independently, without interference from the approved regulator.
- The organisation continues to be financially sustainable and achieves full financial independence, enabling us to invest in those areas of our operation which are most important to consumers and regulated members and entities.
- Developed and begun to implement an internal Corporate Social Responsibility programme, working with stakeholders on reducing our environmental impact.

4

Be an authoritative, inclusive and capable organisation

The organisation is resilient and has the capacity and capability quickly to adapt to changes in the external environment. Continue to champion fair access for all in the legal services market.

Where we expect to be in 2027:

- Reviewed and improved our operational performance monitoring resulting in a reduction of the length of time to conclude conduct complaints.
- Further improved the transparency and accessibility of our services so we respond quickly and effectively to requests.
- Continued to work collaboratively on research to expand CRL's evidence base, including collecting more consumer data.
- Used Data effectively to set goals to measure impact, chart progress and track the effectiveness of equality actions so we can understand the outcomes for consumers and the regulated community.

- Understood and sought to address barriers to career progression within the CILEX regulated community.
- Invested in our people, providing a caring environment with equal opportunities for colleagues to develop.
- Built capability to ensure we have the right skills and competencies to drive our current and future performance.

Key activities and achievements in 2025

Despite a challenging 2025, we have remained focused and made considerable progress against our key regulatory objectives. Our activities and achievements reflect our central mission, to maintain the high professional standards of CILEX professionals in the public interest.

The 2025 Corporate Plan was delivered against a backdrop of continued uncertainty, brought about by CILEX's announcement in early 2022 of its intention to redelegate regulation of CILEX members to the Solicitors Regulation Authority. We took the view that the proposal was unlawful and we were prepared to take legal action if necessary. In Q2 of 2026 we welcomed the decision taken by both the SRA and CILEX that redelegation is no longer part of their immediate plans. This will enable CRL to focus fully on strengthening our working relationship with CILEX, to improve regulation for our regulated community and meet the changing needs of consumers.

Our activities in the latter half of 2025 were also impacted by the initial Mazur court judgment in September 2025. Our immediate focus was on providing comprehensive guidance to the regulated community, looking to find the best course of action. This included developing practical solutions to the challenges posed by the judgment. We invested heavily in our capacity and capability to process high numbers of portfolio applications, hiring and training new external assessors and re-engineering our processes to reduce inefficiencies. We also remained focused on providing a consistently high level of BAU regulatory activity.

In this first year of our new 2025-27 strategy, our new strategic objectives are:

- **Standards and public trust**
- **Access to Justice and Consumer Empowerment**
- **Independence and Sustainability**
- **Be an authoritative, inclusive and capable organisation.**

Key achievements in 2025 against CRL's strategic objectives include:

1

Standards and public trust

The purpose of this objective is to promote high-quality professional practice that enables individuals and entities that we regulate to meet our standards, so they are able to adapt to changes in the delivery of legal services and utilise the benefits of innovation and law tech which meet the needs of consumers.



Roundtable event held to discuss the unregulated legal sector

CRL's 2024 research on the unregulated legal sector was commissioned to improve understanding of this growing area of the legal services market and assess if the current regulatory framework provides adequate consumer protection. CRL's roundtable event in February 2025 was held in collaboration with the Legal Services Board and the Legal Services Consumer Panel to explore future models of legal regulation as part of the wider debate on the future of the legal regulatory framework, as part of CRL's consumer empowerment objectives.

The research uncovered that many consumers do not understand the difference between regulated and unregulated legal providers, or the related protections they may or may not receive. The event aimed to explore what the research findings mean for future regulation rather than reach immediate policy decisions. The discussion centred on the rapid growth of the unregulated legal sector, the need for modernised regulatory frameworks and how to better protect and inform consumers.

The discussions concluded that improved consumer transparency is needed as to which legal providers are regulated and what protections accompany regulated services. There was also broad agreement that consumers would be better served by a regulatory regime which focused on risk not title.

The event initiated a sector-wide conversation about modernising legal services regulation to better reflect today's legal market, technological developments (including AI), and consumer protection needs, while preserving access to affordable legal services.



LSB Professional Ethics and the Rule of Law (PERL) project

CRL's participation in the wider LSB initiative aims to strengthen professional standards across the legal sector, examining how legal professionals uphold ethics, professionalism, independence and the rule of law. CRL have participated in working groups, responded to the LSB's consultation and have incorporated the programme's findings into its regulatory strategy. The project has also influenced our enforcement approach and professional standards framework to improve consumer protection, accountability, and help build trust in the legal profession. Work with PERL is ongoing and we will report on this fully in the 2026 report.



Lessons Learned – impact of the collapse of Axiom Ince, SSB and other SRA firms have had on the legal sector and consumers

Following the LSB review, CRL conducted a lessons learned exercise and developed an action plan to strengthen its own regulatory framework. Key themes included earlier identification of risk, stronger supervision of firms holding client money, improved use of regulatory intelligence, robust governance and decision-making and ongoing monitoring of regulatory effectiveness. This aims to enhance consumer protection, maintain confidence in legal services regulation and reduce the likelihood of similar failures occurring within CRL regulated firms.



CPD Sampling Exercise 2025

Our annual Continuing Professional Development (CPD) exercise supports the ongoing development of knowledge and skills to ensure the ongoing competency of CILEX members to deliver legal services. CPD compliance underpins professional integrity and assures CRL, the public and employers that legal professionals are meeting their regulatory obligations and maintaining their competence.

A randomised sample of approximately 2.5% of CILEX Members provides an important quality assurance mechanism, reinforcing professional competence and standards, promoting lifelong learning and supporting public confidence in the competence of CILEX members. It also helps identify non-compliance trends to identify areas where additional guidance may be needed.

The 2025 CPD Sampling Exercise was undertaken as part of our ongoing supervision of CILEX members' continuing professional development (CPD) obligations for the previous CPD year. Selected members completed a CPD Summary Document and provided evidence of completed CPD activities and outcomes. A total of 306 members were sampled across a range of membership grades and in 2025, only 6% were non-compliant.

The exercise forms part of CRL's wider regulatory responsibility to uphold professional standards, protect consumers and build trust.



CILEx Regulation's response to the original Mazur Judgment (September 2025)

In 2025, the High Court's decision in *Mazur v Charles Russell Speechlys* significantly impacted Chartered Legal Executives. The original ruling stated that Chartered Legal Executives must possess formal litigation practice rights in order to conduct litigation under supervision.

Following the ruling, CRL took a series of rapid, practical steps to support Chartered Legal Executives and maintain regulatory clarity. This included: issuing immediate interim guidance, hosting webinars and providing updates to explain the impact of the judgment on litigation and supervision activities in relation to authorisation and the requirement for litigation practice rights.

CRL recognised the significant impact for Chartered Legal Executives who were now unable to continue to work in Litigation under the supervision of an individual with litigation practice rights. Employers also faced uncertainty regarding staff roles, definitions of litigation conduct and supervision requirements. Our focus was to support applications from those who were eligible. CRL took urgent steps to provide regulatory and operational guidance to address the consequences of the ruling in relation to litigation practice rights and supervision, to support all those affected.

Activities included:



Expedited our application to the Legal Services Board to offer standalone litigation practice rights

CRL initially initiated the process for approval to grant standalone litigation practice rights in March 2025 with an initial consultation to

gauge interest from our regulated community. With 95% of respondents in favour of our proposals, we went on to consult on the requisite rule changes in July 2025, followed by our full application to the LSB in September 2025. Having already laid the groundwork for the application, we were at a significant advantage following the Mazur judgment and worked with the LSB to fast-track the application for approval. This was granted on 31 October 2025, expanding access to practice rights by providing an approved pathway for CLE's to obtain authorisation.



Adapted our operating models in anticipation of a surge in applications for practice rights

We worked proactively to streamline our Litigation Practice Rights authorisation processes, quickly took steps to deploy additional resources to our assessment team and recruited a new panel of Portfolio Assessors. Internal systems were also reviewed and streamlined to enable faster assessments which has enabled us to maintain an average approval time of 10 and a half weeks for applications that pass screening and assessment first time.



Publication of guidance on the conduct of litigation and guidance for practice rights applications

To help manage the distress and uncertainty this caused the CRL regulated community and minimise disruption, we acted quickly to issue detailed interim guidance and FAQs early in October 2025 to help address the confusion and provide clear interpretations while we developed more comprehensive measures. The CRL Board held a special meeting in October 2025 to review the

Mazur action plan which included a dedicated webinar held in November 2025, were emerging trends and issues around Mazur were discussed.

The guidance covered definitions of litigation conduct, tasks requiring authorisation, supervision protocols, employer compliance obligations and to support applicants pursuing practice rights. This was to ensure alignment with statutory frameworks and practical legal operations. Regular updates were published on our website and in regular newsletters. Revised Guidance incorporating the Court of Appeal judgment, was published in May 2026.

- **Engaged with stakeholders including trade associations**, Chartered Legal Executives, CILEX and the CILEX Support Group. We collaborated closely external stakeholders including with the University of Law to review their assessment only and training and assessment routes to authorisation to maximise capacity. We also worked closely with CILEX, the Legal Services Board, employers and legal organisations to identify the most appropriate and efficient ways to address the issues arising from the judgment. We also worked with the CILEX Support Group and listened to their concerns regarding the evidential requirements for the portfolio route applications, subsequently issuing a time-limited amendment to the process to address this in January 2026.
- **Launched a lessons learned exercise**. We are keen to ensure we reflect fully on the impact of the case and what we can learn from the challenges it presented. The report will be published summer 2026. It acknowledges that there were both successes and shortcomings and difficult decisions that had to be made urgently while taking into account the impact on

resources. The results of our 2026 Stakeholder Perceptions Survey will also feed into this exercise.

Our overall response was decisive with regular communication, internal operational process reviews and investment in additional staffing resources to support the profession. By the end of 2025, CRL had provided interim guidance, developed comprehensive regulatory materials, submitted an LSB application for standalone litigation practice rights, expanded operational capacity, and engaged with the regulated community and other related stakeholders.

CRL sought to ensure that standards for authorisation in the conduct of litigation were maintained to protect the public interest and maintain trust in the competence of providers of reserved legal activities.



Access to justice and consumer empowerment

Improving the information available to consumers improves accessibility to legal services, so that consumers can make informed choices and have confidence in the legal professionals they engage with.



First Tier Complaint Handling (FTCH)

The Legal Services Board (LSB) Statement of Policy was published in 2024 aimed to improve the way in which first tier complaints are handled. CRL's subsequent consultation launched in June 2025, considered what changes would be required to clarify expectations for firms on their complaint handling processes and help firms design, communicate and operate a clear and effective complaint handling procedure. Our revised Complaint Handling Requirements published in December 2025 following LSB approval, provided guidance for firms to

help strengthen consumer protection and trust.

The guidance was directed at CRL regulated firms and included regulatory requirements, including details of what information should be provided to consumers such as: price, services, complaints, procedures and regulatory status to support informed consumer choice. The emphasis was that complaints should be handled in a manner that is transparent, fair, accessible and consistent, with the objective of resolving issues promptly and maintaining client confidence. The focus should be on early resolution, transparency, accessibility and continuous improvement. CRL's regulated firms and regulated practitioners are expected not only to respond effectively to complaints, but also to learn from them and ensure that complaint handling contributes to higher standards of client care and professional practice.

This new guidance is underpinned by CRL's **Transparency Rules** which came into force in September 2024. They aim to support firms in improving their complaint handling, client care and service levels to improve client trust, improving access to legal services as well as protecting and promoting the public interest and empowering consumers.



Development of the Regulatory Information Service (RIS) into live Beta

The RIS project aims to deliver a single portal that will enable consumers to identify suitable legal services providers. By centralising information from multiple regulators, users will be able to compare providers by presenting consistent information about legal professionals, regulation, services and quality. This will mean consumers and small businesses will

be able to make more informed choices when looking to engage a legal services provider.

As part of our consumer empowerment objectives, CRL are working in collaboration with the LSB and other legal regulators to provide the necessary regulatory information in order to move the project to the next stage, The RIS, to be hosted on the Legal Choices platform, will consolidate regulatory information on individuals and firms into one accessible platform. This will enable users to both verify credentials and make informed choices when selecting a legal adviser.

The service entered live Beta testing stage at the end of May 2026.



Digital Exclusion Research publication

Digitisation is seen as efficient, modern and cost effective, however many individuals lack the necessary skills, confidence or financial means to participate in online legal processes. This research, commissioned in partnership with the BSB, CLC and ICAEW aimed to uncover the extent to which digitisation was creating barriers and discouraging people from pursuing their legal rights. The project supports CRL's wider EDI and Access to Justice objectives.

The researchers surveyed over 450 digitally excluded individuals, with in-depth interviews and engagement with organisations supporting affected groups. Findings were published in December 2025.

The research findings concluded that moving to digital must not exclude those without digital confidence or access. While digitisation offers efficiency and convenience, it also creates significant risks of exclusion. For digitally excluded users, online legal services can increase complexity,

lengthen timescales, reduce autonomy and in some cases, prevent access altogether.

The research underlined the message that digital transformation in legal services must be inclusive and that efficiency gains should not come at the expense of accessibility, equity or access to justice.

Legal service providers and regulators must prioritise inclusive service design. This includes offering non-digital alternatives, providing appropriate support and recognising that not all users can engage with digital systems independently. The report recommended that legal service providers and regulators should commit to maintaining meaningful offline routes, supporting staff to recognise and respond to exclusion, and working to ensure that these principles are applied consistently across the sector.



CRL's 2025 consumer protection self-assessment exercise

CILEx Regulation's 2025 self-assessment exercise focused on evaluating how well the organisation is providing regulatory consistency and meeting good practice indicators for consumer protection. The Board used the exercise to reflect on its current performance, identify strengths, and agree areas where further improvement is needed.

The assessment exercise conducted by the Board and SMT, assessed CRL's approach to consumer-focused regulation against the Legal Services Consumer Panel (LSCP) criteria. It found that CILEx Regulation generally performs well in supporting consumers, providing clear information, and maintaining accessible regulatory processes. However, the review also highlighted gaps in engagement with consumers, particularly those who are most vulnerable or least

confident navigating legal services. As a result, the Board agreed that additional actions were needed to strengthen communication, improve outreach, and ensure that regulatory policies are informed by a wider range of consumer experiences.

The self-assessment also fed into broader strategic discussions at the May 2025 Board meeting, where CILEx Regulation considered future challenges and reaffirmed its commitment to fair access and consumer protection. The exercise forms part of ongoing work to refine regulatory performance, respond to Legal Services Board expectations, and ensure that consumer needs remain central to policy development by placing the needs, interests, and outcomes of legal service users at the centre of our regulatory decisions, ensuring services are fair, accessible, and operate in the public interest.



Independence and sustainability

Promoting the value and importance of independent, specialist regulation, ensuring CRL is able to work without fear or favour and its independence is protected.

Following Board approval of CRL's Resource strategy in February, we have strengthened our capacity and capability in Policy, AML supervision and our operational functions.



Economic Crime and AML Activity 2025

Throughout 2025, significant progress was made across the AML and Economic Crime supervisory framework, strengthening both internal processes and support provided to regulated entities. A key focus has been the delivery of the OPBAS Action Plan issued following the January 2025 inspection.

Substantial progress has been achieved against the required actions, with ongoing engagement sessions demonstrating that OPBAS remains positive and supportive of the improvements made and the evidence provided to demonstrate implementation.

The annual AML Statement process also underwent a significant transformation during the year. Our submission process was redesigned to create a centralised and more efficient method of collecting and reviewing information from firms to allow for more greater system capability and more accurate analysis. In parallel, the risk-scoring matrix was also redesigned to enable a more detailed and granular assessment of firms' AML frameworks. These enhancements have improved consistency, strengthened risk assessment capabilities, and enabled more tailored feedback and action plans for regulated entities. To support this enhanced process, a formal Standard Operating Procedure was developed, providing clear guidance for conducting annual AML Statement reviews.

Further work was undertaken to formalise supervisory activity through the development of a Standard Operating Procedure for AML onsite inspections. This has established a consistent end-to-end approach to planning, conducting, documenting and following up inspections, ensuring greater consistency, transparency and effectiveness across supervisory engagements.

Significant improvements were also made to the AML and Economic Crime resources available to firms. Guidance webpages covering Economic Crime, Anti-Money Laundering, Financial Sanctions, Risk Management and Suspicious Activity Reporting were comprehensively reviewed and updated to ensure firms have access to current, accurate and practical information.

To maintain the quality and relevance of this guidance, an annual review cycle has been established and supported by a dedicated Standard Operating Procedure.

Engagement and education remained a key priority throughout the year. In November 2025, a webinar was delivered to regulated entities covering AML and Economic Crime developments, including findings from the latest Sectoral Risk Assessment. The assessment identified an increase in the sector's overall AML risk profile from low to medium, reflecting weaknesses observed through supervisory activity in areas such as source of funds verification, AML training, governance arrangements and Suspicious Activity Reporting processes. The webinar also highlighted key regulatory and supervisory developments, including expanded AML Statement requirements, the introduction of the £3,000 Defence Against Money Laundering (DAML) threshold, enhanced financial sanctions compliance expectations and increased supervisory capacity. Firms were provided with insight into future supervisory priorities, including targeted inspections, thematic reviews and continued engagement activity designed to strengthen AML compliance across the sector.

In addition, updated Client and Matter Risk Assessment templates were developed and made available to firms for consideration within their AML frameworks. These templates encourage a move away from simple yes/no responses towards a more narrative-based and risk-focused assessment approach, helping firms to better evidence their understanding, evaluation and management of money laundering risks.

Collectively, these initiatives have strengthened supervisory oversight, improved consistency of approach, enhanced guidance and engagement with

firms, and supported the continued development of effective AML and Economic Crime controls across the regulated community.



Redelegation

Following CILEX's announcement in early 2022 of its intention to redelegate regulation of CILEX members to the Solicitors Regulation Authority, there followed a period of uncertainty which created challenges both strategically and operationally. CRL's position remained that we consider CILEX's original plans for regulatory redelegation to be unlawful and we were prepared to challenge this through the courts. As time passed, CRL and CILEX began to explore how the current regulatory approach could be improved without the need for redelegation. We therefore welcomed the decision taken by both the SRA and CILEX in 2026 Q2 that redelegation is no longer part of their immediate plans. This will enable CRL to focus fully on strengthening our working relationship with CILEX, improve regulation for the regulated community and meet the changing needs of consumers.



Be an authoritative, inclusive and capable organisation

Ensuring CRL has the capacity and capability to quickly adapt to changes in the external environment and continues to champion fair access for all in the legal services market.



Publication of a refreshed EDI strategy for 2025-2028 in December 2025

Updated strategy to support the delivery of a fairer, more inclusive legal profession with improved access to justice, ensuring both practitioners and consumers benefit from equitable opportunities and outcomes. This

aligns with our wider regulatory priorities on fairness and access to justice. The strategy focused on access, progression, inclusion, and regulatory leadership to tackle inequality in the legal sector by 2028 (for both the profession and for consumers looking to access to legal services).

Since launching our first EDI strategy, we have made good progress against our objectives. We have invested in our EDI data collection in order to track progress and make evidence-based decisions and interventions. We have worked with partners to commission research including the Beyond Buzzwords research, commissioned alongside a wide range of professional bodies and representative organisations. This looked at how EDI initiatives have been experienced and highlighted the gap between goals and meaningful change. While some progress has been made in the profile of new entrants to the sector, many still see the law profession dominated by males of white ethnicity from middle- and upper-class backgrounds. CILEX members stated they did not think law was inclusive or valued individual's personal attributes, characteristics or background.

We also facilitated cross-sector discussion in a workshop entitled Prejudice Suppresses Talent - what actions can achieve legal sector equality. This brought together legal regulators, professional bodies, the Legal Services Board (LSB), Ministry of Justice, and representatives from the Legal Services Consumer Panel and the Employers Network for Equality & Inclusion. The session looked to identify key themes and challenges that prevent a more equal profession.

Our EDI strategy was informed by CRL's biennial Diversity Data report which was published in the autumn of 2025. The report showed improved data quality and engagement, with fewer "prefer not to say"

responses than previous years (4.7% in 2025 compared to 5.5% in 2023). It confirms that CILEX continues to be a key route into law for lower socio-economic groups, highlighted career barriers and the prevalence of low male representation.



Independent Board Effectiveness Review

This was completed in December 2025 and found that the CRL Board demonstrates a high level of effectiveness in its governance, structures, process and Board meeting behaviours.

The purpose of the 2025 Independent Board Effectiveness Review was to evaluate the effectiveness of the CRL board including setting strategic direction, overseeing management and risk management. It aimed to identify strengths and areas for development and support a culture of ongoing learning and improvement at board level.

The report concluded that CILEx Regulation's Board demonstrates a high level of Board Effectiveness and professionalism in its governance, structures, process and Board meeting behaviours. It also highlighted the Board's commitment to Equality, Diversity and Inclusion as a positive strength. The wider uncertainty affecting the legal services landscape was acknowledged in that it has made long-term planning more difficult, though the Board is seen as handling this uncertainty with resilience and focus. Opportunities for improvement were identified including strengthening strategic foresight, succession planning and risk governance. Overall the board was found to be capable and mature, operating effectively in a challenging environment





Stakeholder Perceptions Research Survey launch

CRL's first Stakeholder Perceptions Research Survey was commissioned with an independent research company (Enventure) and fieldwork initiated Q4 2025. The research sought to gather insights from a range of key stakeholders, including the regulated community, government and regulatory bodies, representative organisation, and education providers, to better understand their perceptions, experiences, and expectations of CRL. The findings will help inform CRL's future decision-making, stakeholder engagement, and organisational development.

The research gathered both quantitative and qualitative feedback from stakeholders to assess perceptions of CRL's performance, independence and regulatory approach. Opinions were mixed as to CRL's overall performance with more positive feedback from those who engaged with CRL more regularly (eg. CRL regulated firms). Responses from individuals practicing in the area of Litigation were particularly critical, reflecting the uncertainty and distress caused by the Mazur judgment. Other points raised included confusion between the roles of CRL and CILEX and requirement for stronger communication, clearer guidance and greater transparency. CRL committed to addressing these findings at our May 2026 strategy session, to help strengthen engagement and regulatory clarity.

The research directly supported CRL's commitment to being an evidence-led regulator by providing valuable insight into stakeholder perceptions of its performance, independence and regulatory approach.



OLC Business Plan Consultation

We responded to the Office for Legal Complaints (OLC) consultation on its 2026/27 Business Plan and Budget, providing regulatory insight on future complaint trends, emerging risks, and the effectiveness of first-tier complaints handling. Our response supported improvements to service quality and early resolution while challenging proposed increases in funding, arguing for a more evidence-based and proportionate approach to forecasting demand and setting budgets. This consultation response directly supported CRL's 2025 Corporate Strategy by advancing its objectives on Standards and Public Trust and Access to Justice and Consumer Empowerment. By providing informed regulatory insight on emerging risks, complaint trends and the future operation of the Legal Ombudsman scheme, CRL helped shape discussions affecting both consumers and legal service providers, supporting its objective of being an authoritative and influential regulatory organisation.



Delivery of Core Regulatory activities

CRL continued to deliver its core regulatory objectives throughout 2025 including a review of Education Standards, Authorisation of CLE's, Supervision activity (firms), a review of our Enforcement activities, as well as business planning, risk management and compliance.

2025 Regulatory Operations

Our strategic agenda is underpinned by our core authorisation, supervision and enforcement regulatory activities. In 2025 we implemented process improvements to help improve efficiency and reduce timescales for handling misconduct cases.

Authorisation

In 2025, we authorised:



467 CILEx members to have demonstrated their competency through work-based learning (576 in 2024)



17 CILEx members to achieve advocacy rights (11 in 2024)



120 CILEx members to achieve practice rights (166 in 2024). We received **640 applications** for Practice Rights and by June 2026, more than **1,200 CILEx members** had been granted Practice Rights

Supervision

In 2025, we:



Renewed **23 Entities** (21 in 2024)

Enforcement

In 2025, we:



Resolved **294 prior conduct cases** (123 in 2024)



Resolved **51 Misconduct Cases** (59 in 2024)

Board & Governance

Board Membership



Jonathan Rees

Chair
Tenure until 31/08/28



Helen Astle

Professional member
Tenure until 31/08/27



Patricia White

Professional member
Tenure until 01/05/29



Douglas Blackstock

Lay Member
Tenure until 31/08/27



Aaron Porter

Lay Member
Tenure until 31/08/28