

Compensation Arrangements

2025

ANNUAL REPORT



Introduction

The aim of the CILEx Regulation (CRL) Compensation Arrangements is to make discretionary grants to clients of a firm providing legal services authorised and regulated by CRL ('a CILEx Authorised Entity') who have incurred a loss due to the dishonest misappropriation or dishonest failure to account of that authorised entity, its owners, managers or employees.

Since 2021, grants under the scheme will be paid from a cash fund (CILEx Compensation Fund) provided by Chartered Institute of Legal Executives (CILEx) and CRL. All grants under the CRL Compensation Arrangements are discretionary and can only be made within the limits of the scheme.

CILEx-ACCA probate firms provide access to compensation arrangements via their Professional Indemnity Insurance, and so are not within the scope of the compensation arrangements.

Management of the Compensation Arrangements

The Compensation Fund is held, managed, administered and distributed by CRL on behalf of CILEx.

The CRL Board, as Trustees of the Fund, delegate the power to make final grants for the purposes of the CRL Compensation Arrangements Rules to CRL staff, officer holders or other appointed individuals, including adjudicators, as set out in the scheme of delegation. The adjudicators were not required to meet in 2025.

Contributions and discretionary grants

During 2025, each Authorised Entity was required to make contributions to the Fund at the prescribed rate, which is approved annually by the Legal Services Board. These contributions were utilised towards increasing the size of the fund which now underpins the Compensation Arrangements.

There were no claims made on the Compensation Arrangements.

Conclusion

CILEx and CRL are committed to continuation of the current arrangements in 2026.