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PROFESSIONAL  
STANDARDS  
DEPARTMENT

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# *2024 Legal Services Update Webinar*

3 SEPTEMBER 2024

# ***Agenda***

- Introduction – Liz Shaw, Senior Quality Assurance Manager
- Quality assurance monitoring results and common issues – Dan White, Quality Assurance Manager
- Legal Services Committee update – Miranda Winram, Committee Chair
- Regulatory landscape – Sophie Wales, Director, Regulatory Policy
- Q&A
- Final updates and resources



# Quality assurance monitoring results

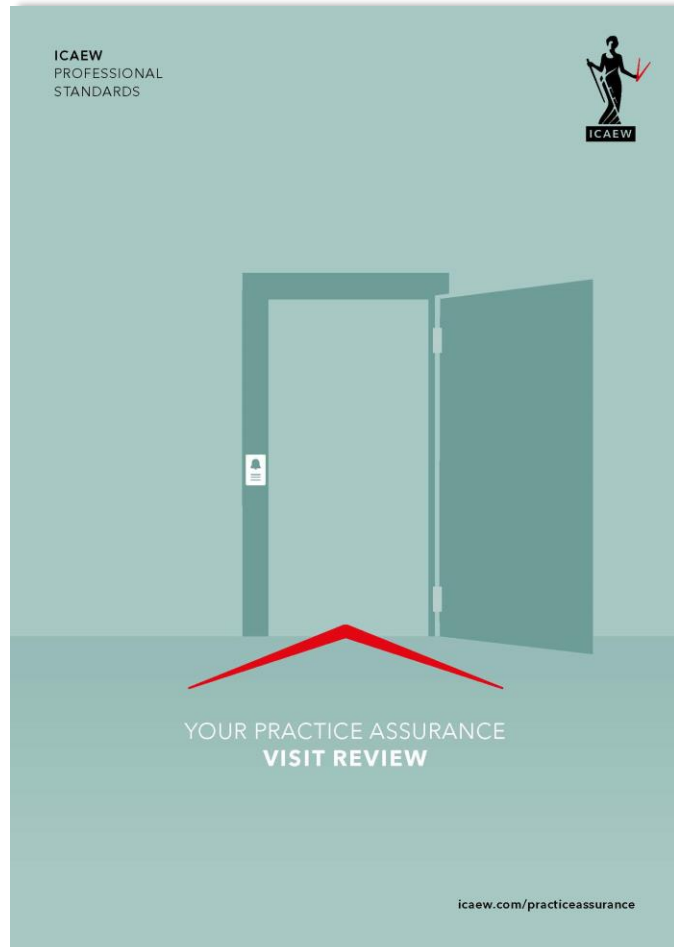
DAN WHITE,

QUALITY ASSURANCE MANAGER

# ***The monitoring process***

- ICAEW visits all probate registered firms within two years of granting that firm's accreditation.
- The visit will usually be onsite and will:
  - cover Practice Assurance and probate.
  - consider your compliance with the Legal Services Regulations.
- Monitoring visits thereafter are on a cyclical risk-based approach.

# *The monitoring process*

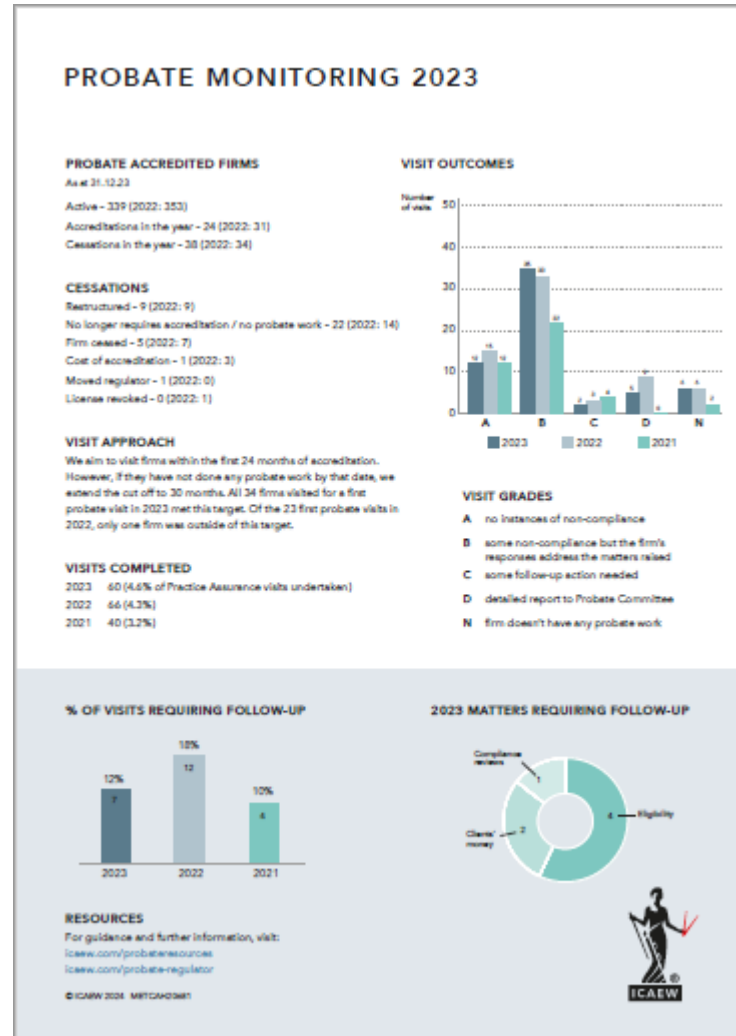


- Before the visit
- The opening meeting and review
- The closing record
- Your response
- After the visit

# ***Core areas covered***

- General background – clients, type of work, volume of work
- Procedures – including quality control and consultation arrangements
- Eligibility
- Fit & proper requirements and undue influence
- Competence – staff training
- Professional indemnity insurance - minimum level of indemnity of £500,000 per claim
- Clients' assets and clients' money
- Compliance review
- Client file reviews
- Any other areas (eg, engagement terms, complaints procedures, transparency disclosures and diversity)

# Probate monitoring results



## 2023 matters requiring follow-up:

- Eligibility (4)
- Clients' money (2)
- Compliance reviews (1)

Year	Visit numbers	% of visits requiring follow-up action
2021	40	10.0% (4)
2022	66	18.0% (12)
2023	60	12.0% (7)

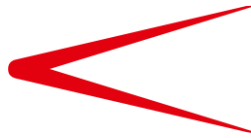
# ***Visits in 2024***

- We plan to complete a similar number of visits in 2024 as in previous years
- Visit outcomes during 2024:
  - 85% concluded with no follow-up
  - 6% required some follow-up
  - 9% reported to the Legal Services Committee
- Follow-up included:
  - The submission of mandatory compliance reviews for probate
  - Confirmation that the firm has updated its website and engagement letters for the disclosures regarding the ICAEW compensation scheme and price and service transparency
- All reports to the Legal Services Committee in 2024 have been in relation to eligibility regarding affiliate and non-authorized owners



# ***Common pitfalls***

- To help your firm avoid inadvertent breaches of the Legal Services Regulations, we have highlighted some of the common breaches we see. More information can be found at [Probate - Common pitfalls](#)
- Significant findings
  - Eligibility (Regs 2.4h, 2.7l and 6.2)
  - Clients' property (Regs 3.8 and 3.9)
- Common findings:
  - Transparency (Regs 2.7t to 2.7w)
  - Monitoring diversity (Reg 2.7s)
  - Terms of engagement (Reg 3.6) and ICAEW Compensation Scheme (Reg 3.7)
  - Compliance review (Reg 3.11)
  - Professional indemnity insurance (Reg 2.10)
  - The Money Laundering Regulations



# **Legal Services Committee update**

MIRANDA WINRAM, COMMITTEE CHAIR

# ***Legal Services Committee – What?***

- Used to be the Probate Committee
- Agreeing (or not!) applications for firms to be authorised or licensed (ie, probate accreditation)
- Agreeing (or not!) applications for:
  - Authorised individual
  - Head of Legal Practice
  - Head of Finance and Administration
  - Non-Authorised owner
  - Probate affiliate
- **Securing compliance with Legal Services Regulations (LSR June 2023)**
- Monitoring compliance with LSR
- Compiling and maintaining a register of licensed firms, to be available to Legal Services Board (LSB - regulator of regulators!)
- Legal Services Compensation Scheme (LSCS):
  - Chair is Co-Director of the LSCS Ltd, a subsidiary company of ICAEW Ltd
  - Agreeing grants from LSCS
- To be consulted when ICAEW develops policy re probate practitioners

# ***Legal Services Committee – Why?***

‘In discharging its functions  
the Committee will have  
regard at all times to the  
public interest’

# ***Legal Services Committee – Who?***

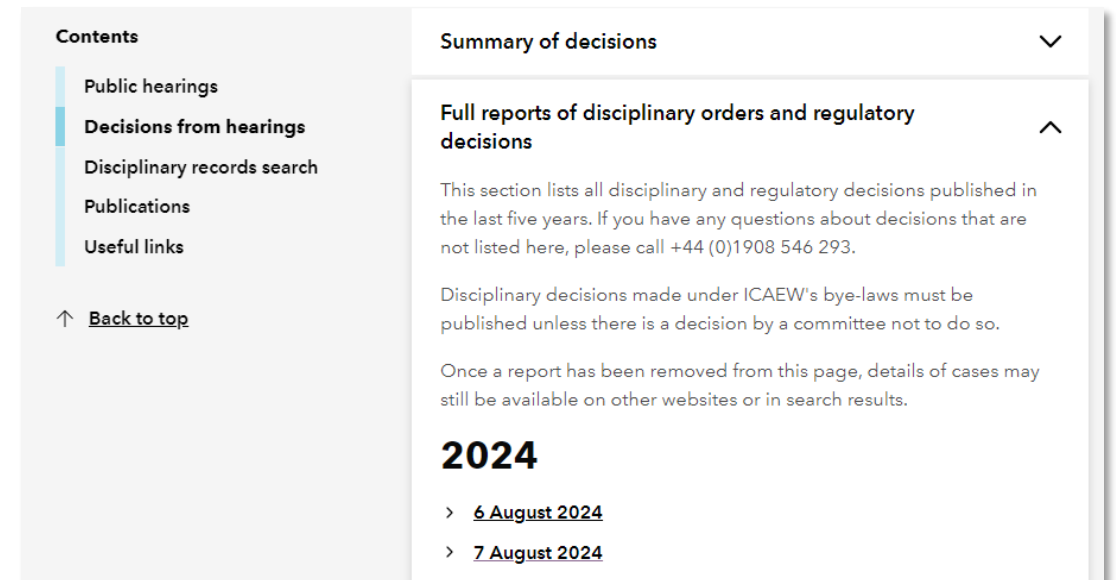
- Up to 10 members (currently 9)
- 5 member quorum
- Lay majority at meetings (or parity if over quorum)
- Chair has casting vote
- Current position with professional members

# Legal Services Committee – How?

- Agreeing applications for firms or individuals
- Securing compliance with Legal Services Regulations
  - Direct regulatory action
  - Refer onwards to disciplinary committees
- Approach

## Disciplinary Orders and Regulatory Decisions

[icaew.com/publichearings](https://icaew.com/publichearings)



The screenshot displays a webpage layout with a left-hand navigation menu and a main content area. The navigation menu includes 'Public hearings', 'Decisions from hearings', 'Disciplinary records search', 'Publications', and 'Useful links', with 'Decisions from hearings' highlighted. Below the menu is a 'Back to top' link. The main content area is titled 'Summary of decisions' and features a section for 'Full reports of disciplinary orders and regulatory decisions'. This section contains text explaining that it lists decisions from the last five years and provides contact information for questions. It also notes that disciplinary decisions under ICAEW's bye-laws must be published unless a committee decides otherwise. At the bottom of the section, there are expandable links for the years 2024, specifically for 6 August 2024 and 7 August 2024.

**Contents**

- Public hearings
- Decisions from hearings**
- Disciplinary records search
- Publications
- Useful links

↑ [Back to top](#)

**Summary of decisions**

**Full reports of disciplinary orders and regulatory decisions**

This section lists all disciplinary and regulatory decisions published in the last five years. If you have any questions about decisions that are not listed here, please call +44 (0)1908 546 293.

Disciplinary decisions made under ICAEW's bye-laws must be published unless there is a decision by a committee not to do so.

Once a report has been removed from this page, details of cases may still be available on other websites or in search results.

**2024**

- > [6 August 2024](#)
- > [7 August 2024](#)

# ***Common breaches***

- Complexity in firm structure changes
- Changes in individuals
- Informing ICAEW of change in individuals / submitting standing data form – but not applying for correct status

# ***What I'm proud of!***

- Colleagues
- Six stages of decision making
- Consistency

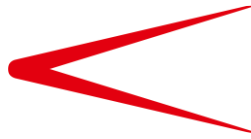


# Legal Services Committee

All roles are remunerated

- E: [committeerecruitment@icaew.com](mailto:committeerecruitment@icaew.com)
- W: [icaew.com/rccommittees](https://icaew.com/rccommittees)





# The regulatory landscape

SOPHIE WALES, DIRECTOR,  
REGULATORY POLICY

# ***What is ICAEW doing to help?***

- Engagement with HMCTS and Justice Committee about probate delays
- Discussions with HMCTS about staff awareness of Chartered Accountants doing probate work
- Discussions with UK Finance about bank awareness of Chartered Accountants doing probate work
- Engagement with the Legal Services Board on new policy developments

# ***Recent areas of Legal Services Board focus***

- Technology – new statutory guidance
  1. Regulation enables use of technology & innovation to support improved access to legal services and address unmet need
  2. Regulation balances the benefits & risks, and opportunities & costs, of technology & innovation in the interests of public and consumers
  3. Regulation actively fosters a regulatory environment that is open to technology providers & innovators
- First tier complaints – new requirements and guidance
  - 18 month implementation timeline
  - Provide complaints information more than once

# ***Consumer empowerment***

- Consumers have the knowledge and capability to identify when they have a legal issue and how to get help
- Consumers have the information they need to choose a legal services provider:
  - Services
  - Price
  - Quality
  - Regulatory status
  - Complaints process

# ***Consumer empowerment***

- Regulatory Information Service (RIS) – single register for legal services
- RIS that will help users, and potential users, of legal services to identify a suitable provider for their needs
- Ambition is a single portal for consumers to access information about legal service providers so that people and small businesses can be better informed about services offered and quality before engaging a provider
- In line with the recommendations of the Competition and Markets Authority's market study and the expectations set out in the LSB's statement of policy on empowering consumers

# ***Current and future LSB projects***

- Technology and innovation
- First tier complaints
- Equality, Diversity & Inclusion
- Rule of law and professional ethics
- Disciplinary and enforcement processes
- Financial protection (PII and compensation funds)

# *Impact for probate firms*

First tier complaints	Technology and innovation	Consumer empowerment - impact	Consumer empowerment – quality	Public legal education
<p>More prescriptive requirements for dealing with client complaints to firms</p> <p>ICAEW data collection</p>	<p>Demonstrate how are enabling the use of technology to help consumers access services</p>	<p>Client survey on ease of choosing provider</p>	<p>Continue to collect feedback from clients – consider whether want to publish and/or use digital comparison tools</p>	<p>Guides to share with clients about being an executor / beneficiary</p> <p>- Feedback?</p>
Equality, Diversity and Inclusion	Rule of law and professional ethics	Disciplinary and enforcement processes	Financial redress (PII and compensation schemes)	
<p>Diversity data already collected – potentially greater focus on specific aspects of diversity</p>	<p>Accountancy sector already a leader in this area – ethics CPD</p>	<p>Focus on sanctions for serious misconduct</p>	<p>ICAEW changes apply from 1 September 2024</p>	



# ***Looking forward***

- 2025 diversity monitoring survey
- Probate practitioner reference group
  - Share updates on regulatory issues and changes
  - Seek views on draft guidance / initiatives
  - Opportunity for practitioners to feedback on issues with eg, HMCTS
- Technical update webinar – topics?
- Follow up survey will ask about these

# ***Final updates and resources***

Changes to ICAEW's insurance requirements came into effect on 1 September. Visit [icaew.com/piichanges](https://www.icaew.com/piichanges) and check your policy renewal date. The changes include:

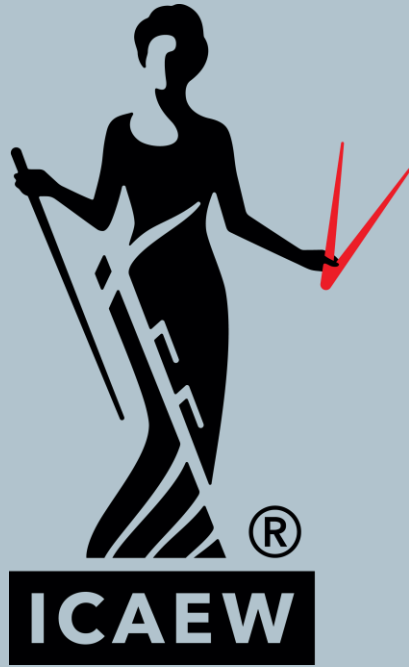
- Increases to the minimum limit of indemnity
- Changes to the maximum permitted excess calculation
- New requirements for large firms
- Updates to firms insured in group arrangements
- Update to run-off requirements
- Further guidance regarding dispensations

## **Resources and guidance from ICAEW's Professional Standards Department**

- [icaew.com/probateresources](https://www.icaew.com/probateresources)
- [icaew.com/probatenews](https://www.icaew.com/probatenews)
- [icaew.com/regulatorynews](https://www.icaew.com/regulatorynews)

## **How to access support from our Technical Advisory team**

- Phone +44 (0) 1908 248250
- Webchat: [icaew.com/webchat](https://www.icaew.com/webchat)
- Helpsheets: [icaew.com/helpsheets](https://www.icaew.com/helpsheets)



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