

By email

Maggie McGhee
Executive Director - Governance
Association of Chartered Certified Accountants



5 October 2021

Dear Maggie

Regulatory Performance self-assessment

Thank you for your response of 30 July including the self-assessment of your activities against the LSB Regulatory performance framework and following my letter of 14 June 2021.

As noted in my letter, the reason for the request was to address the fact that the LSB did not have sufficient information on ACCA's regulatory practices in order to be satisfied that ACCA probate practitioners are regulated effectively. We have carefully considered your response and have some comfort that ACCA has systems and procedures in place to carry out the operational elements of your regulatory activities.

However, your report highlights a number of areas which are of concern. Most importantly, it appears to us that in September 2019 you all but ceased the further development and proactive regulation of probate practitioners. In particular, it concerns us that you have not carried out any direct supervisory activity of probate practitioners; you have not collected data on the diversity of your regulated community and in relation to consumers of probate services; and you have not implemented the CMA market transparency recommendations. The gaps in your regulatory activity are ones where the LSB has placed particular emphasis and has been explicit in our expectations of all regulatory bodies.

While the LSB accepts ACCA's intention to cease to be an approved regulator for the purposes of the Legal Services Act 2007 (the Act) by holding in abeyance, temporarily, elements of the IGRs (as explained in my letter of 14 June 2021), ACCA has no general derogation from the provisions either of the Act or of the regulatory framework established by the LSB under those provisions. ACCA's failings in this respect appear so severe as to make it highly likely that enforcement action would now be under consideration.

In some ways our expectations of ACCA were tempered by the small number of licensed practitioners, however, over the elapsed time since your Council's decision to withdraw from probate activities in 2019, your regulated community has continued

to grow. The number of individuals and firms licensed to carry out probate has tripled, from 28 individuals and 23 firms in 2019 to 95 individuals and 74 firms in September 2021, as noted in your public Register of ACCA Accredited Probate Firms.

Considering the information that we now have available on your compliance with the regulatory obligations placed upon ACCA, I must put you on notice that the LSB will be compelled to take steps to look more deeply into the weaknesses in your regulatory performance should you remain as an approved regulator under the Act into 2022. Any action we take will be consistent with the approach set out in the LSB Regulatory performance framework. We will keep this matter under review as you continue with your plans to cease to regulate and ensure the full transfer of all your regulated practitioners and entities by 31 December 2021.

On the matter of your application for cancellation of designation, I am encouraged that ACCA has now submitted a draft application and that our teams are ironing out the finer details of the information that it would be helpful to have included in your formal application.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a horizontal line.

Matthew Hill
Chief Executive