By email only

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Dear Oliver,

Thank you for your time earlier this week, when we were able to discuss the recent issues with Absolute Barrister.

The insolvency of Absolute Barrister appears to have had a direct impact on a number of consumers, who have paid fees to receive services from regulated barristers but who now find themselves without their fees and without representation. In the light of this, our primary concern is seeking assurance from the BSB that it is taking appropriate action in relation to this issue, to respond to the risks to the regulatory objectives and protect consumers and the public interest.

From your correspondence and our discussion, I have taken the following in relation to the BSB's current activity in this area:

- You are aware of nine lay consumers who have paid money to Absolute Barrister and are now without representation. You believe that this is likely to be the extent of the issue and do not believe that this is likely to be an issue of significantly greater scale.
- The BSB has signposted these lay consumers to Advocate for support with their cases. You have not been following up with Advocate to understand if they have been able to provide assistance or representation to these consumers.
- The BSB is considering the wider policy implications that this case raises in relation to intermediary services and the provision of services by barristers.

We would like to understand better how and to what extent the BSB is engaged in seeking to understand and address the regulatory issues that this case appears to raise. We would therefore be very grateful for further information and assurance in the following areas:

1) Assurance that the BSB is pursuing the immediate regulatory consequences for those who have been party to this scheme.

   This would relate to those involved in running Absolute Barrister and also potentially barristers who have been providing services through Absolute Barrister, given the BSB's rules on client money and associated guidance. From the information available, there would appear to be a concern that Absolute Barrister may have been providing more than just an intermediary service and may also have been holding client money.

2) Further information on what the BSB has done to ascertain who has been impacted by this incident, what consideration the BSB has given to how those consumers who have been directly impacted by this case can be properly supported, and what measures are being pursued to remedy the harm suffered.

We also wanted to let you know that in due course we would be grateful to understand better the extent to which Absolute Barrister and its operating model were on the BSB's radar prior to its insolvency and how the BSB reached previous decisions on handling.

As you have identified, the case also raises wider policy questions about the status of intermediaries and barristers' engagement with them, which might have ongoing application in relation to other providers. On this front, it is important to emphasise that we support and encourage responsible innovation that commands public trust. We note that there are other intermediary services apparently operating competently in the market. However, this case would appear to offer some important learning.

We do not want to divert the BSB at this stage from its more immediate priorities in responding to this issue but in due course we will want to come back to these wider policy questions and regulatory implications.

We would appreciate a response covering the two areas highlighted above **by 21 January 2022**. Please let me know if this deadline will create difficulties.

Yours sincerely

Chris Nichols.

Chris Nichols
Director, Policy and Regulation