

Paul Scully MP, Parliamentary Under-Secretary of State (Minister for Tech and the Digital Economy) for the Department for Digital, Culture, Media and Sport

Email: paul.scully.mp@parliament.uk

George Freeman MP, Minister of State (Minister for Science, Research and Innovation) for the Department for Business, Energy and Industrial Strategy

Email: George.Freeman.MP@parliament.uk



**LEGAL SERVICES
BOARD**

The CEO's office
The Rookery (3rd Floor)
2 Dyott Street
London
WC1A 1DE

T 020 7271 0043

www.legalservicesboard.org.uk

23 November 2022

Dear Minister

Thank you for your letter dated 17 November. I am pleased to be able to contribute the insights of the Legal Services Board (the LSB) as you progress your work to develop a regulatory framework for Artificial Intelligence (AI) in the UK.

About the LSB

The LSB is the oversight regulator for legal services in England and Wales. In our role as oversight regulator, we regulate the eight frontline legal services regulators and hold them to account for their performance. The LSB operates within a statutory framework set via the Legal Services Act 2007 (the Act). The Act sets out eight regulatory objectives which the LSB has a statutory duty to promote and uphold, and our work on technology and innovation serves to promote the regulatory objective to improve access to justice.

The LSB's work on technology and innovation

The LSB has a long-running and well-developed programme of work centred on technology and innovation in the legal services sector. Our general approach to technology is to promote its use to deliver public good, improve access to justice and help address unmet legal need. To date we have taken an open stance to setting expectations related to its regulation – being open to the opportunities that technology provides whilst being mindful of the potential risks to consumers. In our sector-wide strategy, 'Reshaping Legal Services'¹, we set out two key challenges for the legal sector to 'foster innovation that designs services around consumer needs' and 'support the responsible use of technology that commands public trust'. This recognises the role that technology and innovation, including AI, can play in ensuring consumers have access to the legal services they need, as we know from our research into the legal needs of individuals and small businesses that there is unmet legal need in the market. Another key focus of our work is supporting cross-sector initiatives that promote innovation – we are part of the Regulatory Response Unit (RRU), and we support LawtechUK in their work to assist regulators in understanding the legal regulatory framework.

Our current business plan sets out our ongoing work in this area to ensure that the support of innovation, and the use of technology, in the provision of legal services continues to be a

¹ <https://legalservicesboard.org.uk/our-work/reshaping-legal-services-a-sector-wide-strategy>

priority. As part of this, we are in the process of developing new statutory guidance for regulators on promoting the use of technology and innovation to increase access to legal services. We intend to use this guidance to clarify our expectations that regulators should be proactively engaged with technology providers, have an up-to-date understanding of the risks and benefits related to the use of technology, and mitigate for those risks in a manner that does not have a dampening effect.

One of the key risks in relation to the adoption of AI in the legal sector is the need to clarify accountability for its use in cases where something goes wrong. Without clear lines of accountability for both the service provided (by the legal professional) and the technology used to provide it (by the technology provider), there is the risk of creating an accountability gap which may work against innovation by undermining public trust and could result in consumer detriment. We are concerned that the current regulatory architecture does not sufficiently close this gap.

How the LSB can work with the Office for AI

As oversight regulator, we can play an important role in assisting the Office for AI in putting the proposed AI regulatory framework into practice by overseeing regulator performance in the adoption and use of technology (including AI) via our regulatory performance framework which we use to monitor and assess regulator performance. We can use this process to assess regulator progress against the AI framework, and to make regulators aware of the framework and the cross-sectoral principles to ensure that they have regard to them when developing their regulatory approach.

We also hold the regulators to account for setting and maintaining the standards of competence that legal service professionals need throughout their careers via our ongoing competency framework. This could include appropriate upskilling of professionals in the understanding and use of AI in service provision particularly as the use of AI adapts and evolves over time.

We can share data on trends in the uptake and use of technology, including AI, and how this has changed the way consumers access legal services. A new wave of our Technology and Innovation Survey² is currently underway, and we are happy to share the findings from this research, and any previous/future iterations of the survey, when they are available.

Importantly, for assisting with the implementation of the AI regulatory framework, we can facilitate engagement between the Office of AI and the frontline legal service regulators, who will have insights into how the framework could operate in practice. The legal sector is broad and varied, both in the terms of the issues that consumers face and the professionals they can use to meet their needs – it may therefore be helpful for the Office for AI to understand how different segments of the legal sector could be impacted by the proposed framework.

We would also be happy to use our convening powers to assist in providing legal service sector input and representation into the development of cross-sector collaborative groups/common pools of expertise relating to the adoption and regulation of AI.

I trust this response is helpful and I look forward to working with you as you continue to develop your work in this area.

² <https://legalservicesboard.org.uk/research/technology-and-innovation-in-legal-services-2018>

Yours sincerely

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

Matthew Hill

CEO

E Matthew.Hill@legalservicesboard.org.uk