LSB 2025-26 Q2 Performance Report

Direct regulatory oversight and surveillance

Oversight and regulatory performance: We have continued with the review of our oversight function, which aims to ensure our oversight approach is effective, targeted at areas where we have least assurance and aligned with good regulation principles, in particular proportionality. We presented a scoping paper to Board at its meeting in July, and the team is now in the process of developing an options paper for the Board meeting in February.

During Q2, the SRA finalised its implementation plan in response to enforcement action in relation to Axiom, which has been published on the LSB website. Our first monitoring meeting took place in early September. We also published a set of voluntary undertakings giving by the Bar Standards Board (BSB) on 31 July. These are designed to address concerns identified in our most recent Regulatory Performance Assessment.

Statutory decisions: See page 3 for more information on statutory decisions.

Regulatory review: The team has continued to work on the thematic review of Council of Licensed Conveyancers' disciplinary and enforcement processes. At the time of writing this report, and in view of the recent High Court decision in Mazur, the Regulatory Reviews team has been mobilised to conduct a review to consider the regulatory steps taken by approved regulators (where appropriate through their regulatory bodies) in providing guidance and ensuring compliance with the Act in respect of persons undertaking the conduct of litigation. As a result of the need to prioritise the conduct of litigation review, we have decided to pause the review of the LSB enforcement policy. Activities in relation to enforcement will be explored as part of other related policy work, and we will pick up any emerging substantive work as and when resource allows.

Enhanced market surveillance and horizon scanning: We presented a paper at our Board meeting in September which describes our emerging surveillance framework. The team has continued to develop the framework in line with Board feedback. We are also developing the agenda for a futures event focused on the implications of an ageing society for legal services and regulators.

Priority policy projects

Professional Ethics and the Rule of Law (PERL): We published a blog on our microsite in September setting out the emerging key themes and our proposed next steps. The blog was widely shared via our LinkedIn networks, as well as with consultation respondents and the PERL reference group. The blog sets out our plans to establish an ongoing Professional Ethics Network as a catalyst for longer term change in workplace and leadership culture. We are drafting the terms of reference for the network and plan to convene a roundtable early next year to coincide with the publication of our final policy statement later in the financial year.

Equality, diversity and inclusion: In Q2 we presented our emerging policy proposals focused on advancing equality, encouraging diversity and promoting a healthy and inclusive culture in the legal profession to our Board at its July meeting. The proposals were received positively and we subsequently launched the public consultation in November. As part of our ongoing work in this area, we have also continued with our comprehensive approach to engagement, for example, we attended the Judicial Diversity Forum Officials meeting in

September and joined a panel on mental health and wellbeing in the legal profession alongside sector leaders at the MAD World summit in London. We have also launched the Legal Regulators EDI Forum's external speaker series, aimed at improving awareness of key issues and encouraging action amongst regulators.

Access to justice: The LSB submitted evidence to the Justice Select Committee's Inquiry on Access to Justice, in which we noted the growing prevalence of unmet legal need, the important role that regulated and unregulated legal advice providers play in ensuring just outcomes for clients and how technology may be leveraged to increase access to legal advice.

Consumer protection is a key policy priority for us in 2026/27, and is underpinned by our regulatory objectives to protect and promote the interests of consumers and improve access to justice. We want to ensure that, as the legal services market changes, consumers can make informed choices about the services they use, are aware of the risks and are protected if things go wrong. As such, we have refocused our work on Access to Justice, integrating it within the Consumer Protection programme and through collaboration with sector partners. This ensures that this work continues to be delivered in a joined-up and practical way, supported by a strong evidence base from our research programme.

Disciplinary and enforcement processes: Having carefully reviewed where we should focus our efforts in the coming year, we have made the decision to stop our work to develop principles to underpin regulators' disciplinary and enforcement processes. Instead, we are seeking to drive improvements in different ways, such as through some of our other priority areas in 2026/27. For example our enforcement action against the SRA and BSB, as well as following up on the outcomes of our review of the Council for Licensed Conveyancers (CLC)'s disciplinary and enforcement processes. Our work on professional ethics and on encouraging a diverse legal profession will also touch upon disciplinary issues.

Consumer protection: Our new Regulatory Policy Manager with a focus on consumer protection joined the team in July, as such the project has returned to green. Looking ahead to Q3, the team presented a paper to our Board in October which sets out the proposed scope and focus of the project (subsequently published on our website).

We are initiating a consumer research project to understand what opportunities and risks consumers believe they face when using AI and online legal tools, and what kinds of support, guidance of safeguards people think are already, or should be in place, if any. The project will utilise our Public Panel – we expect the outcomes from this research will be published in early 2026.

Evaluation of Internal Governance Rules (IGR): Substantive work on this project has been paused pending potential proceedings in connection with delegation under the IGR and the Act.

Economic crime objective: Our final policy statement was published on 22 July.

LSB strategy: Our 2026/27 Business Planning season has commenced. We held a Board strategy session in September, which enabled a discussion about priority areas for the next financial year. We will present our draft Business Plan and Budget at the Board meeting in November, ahead of the formal consultation period at the end of this calendar year. Due to emerging priorities we have decided to move our Annual Conference to Autumn 2026. Further updates will be provided in due course.

Datasets: We have continued to review and refresh our dashboards.

Public Panel: As mentioned previously under our consumer protection update, we are working with our Public Panel on a project to understand what opportunities and risks consumers believe they face when using AI and online legal tools, and what kinds of support, guidance of safeguards people think are already, or should be in place, if any.

Research: We have commissioned YouGov to conduct our Small Business Legal Needs survey.

Statutory decisions - background

Alterations to regulatory arrangements
Under the Legal Services Act 2007 ('the Act'), alterations to approved regulators' regulatory arrangements ('rule changes') must be approved by the LSB before coming into effect. This is one of the LSB's most frequently exercised statutory functions.

The Act prescribes an initial 28 day period for making a decision that can be extended by the LSB by up to 90 days via an extension notice or by a further year if the LSB is considering refusing an application and issues a warning notice. The LSB can only refuse an application if one of the statutory refusal criteria is met.

Under the Act, the LSB also has the power to exempt certain general or specific changes from the approval process by issuing an exemption direction. The LSB aims to publish all applications and decisions within two working days. In our consideration process, we take a risk-based approach whereby applications are assessed as lower risk or higher risk. For lower risk applications, our target is a decision in 28 days or less.

Practising fees
Under the Act the LSB assesses and approves practising fees.
The LSB aims to make a decision on these practising fee applications within 35 calendar days.

Note: The figures in the bars in picture 1 do not refer to the same datasets. The purple bar is for applications received. The black, orange and magenta bars relate to what happens after the receipt of an application. Where an application is received in the previous business year or end of a quarter but assessment is concluded in the following business year or quarter the data sets will differ. The grey bar for exemption directions is a separate category which is not covered by the other four metrics.

Statutory decisions – analysis

In Q2, we received seven new applications for alterations to regulatory arrangements. One of these applications was not accepted following initial review and was subsequently resubmitted for consideration. We made four decisions during the quarter.

The profile and complexity of decisions have shifted this quarter, with three of the four decisions classified as 'higher risk'. Two of these higher-risk cases required extensions, while one was completed within 28 days. Our lower-risk decision was processed within the target of 28 days or fewer, in line with expectations.

We also issued two exemption decisions during the quarter. The median decision time for all determinations was 27 days, and we successfully met all publication deadlines for both applications and decisions.

In parallel, we have now entered our annual Practising Fees season, with two decisions being made this quarter. Both were completed within the 35-day target.

Due to a period of sustained resource pressure attributed to the high volume of applications, this workstream is rated amber. Mitigations have stabilised the position; as such we anticipate a return to green during the latter part of the financial year.

General Enquiries – background

General Enquiries is our inbox for receiving correspondence from the public. It is monitored by our corporate support team.

The public typically contacts us to raise issues about a regulator, lawyer, the Legal Ombudsman, or with general enquiries about legal services and legal aid.

Our target response time is 10 working days or less.

General Enquiries – analysis

We received 405 general enquiries in Q2, continuing the upward trend seen in recent quarters. As reported previously, this growth aligns with changes to our data reporting and analysis methodology, which means some of the increase reflects improved data capture in addition to a genuine rise in queries. Other factors are also likely to be influencing this pattern, including the rising profile of the LSB and recent high-profile events such as the SSB enquiry report, the BSB voluntary undertakings and the ongoing repercussions of the High Court Mazur vs Charles Russell Speechlys judgment. We are also aware of emerging evidence from customer and user facing organisations suggesting that higher enquiry volumes may be linked to increased use of AI, which enables more people to access support.

While the overall process for handling General Enquiries remains unchanged, we have expanded our reporting to include the number of repeat enquiries and mass emails received by the LSB. This adjustment offers a more representative view of the volume of unsolicited correspondence and the resources required to process and respond where appropriate. We will continue to report on this data in future quarters to support more meaningful trend analysis in the next financial year.

Although the number of general enquiries remains high, in line with our statutory duties as an oversight regulator, there are specific circumstances under which we respond. In Q2, we responded to 71 enquiries. We have found that several correspondents continue to send follow-up correspondence even after receiving a clear response indicating that the LSB is unable to assist further. These are typically recorded as “LSB copied in but no reply required,” and they account for a significant proportion of the enquiries reported in that correspondence category. Regardless of the categorisation, all correspondence is reviewed and triaged as appropriate.

The significant increase in unsolicited correspondence has placed additional pressure on the team’s resources. As the team’s capacity has remained unchanged, this has resulted in longer response times and potential delays in service delivery, particularly in meeting the target response deadline of 10 working days. In terms of the profile of correspondence received, 21% of enquiries in Q2 related to complaints about a regulatory body or approved regulator.

Freedom of Information – background

The Freedom of Information Act 2000 (‘the Act’) gives people a right of access to the information held by, or on behalf of, public authorities (‘authorities’). This applies regardless of the age, format, origin or classification of the information, and covers for example: reports, letters, emails, notebooks and photographs.

The Act requires authorities: (1) to publish information proactively in accordance with their publication schemes; and (2) to provide within not more than 20 working days other information requested by any person (‘information requests’).

Freedom of Information – analysis

We received 10 Freedom of Information requests this quarter and have, to date, responded to three. The majority of these requests were submitted towards the end of the reporting period and will therefore be included in the Q3 analysis.

We have observed a clear upward trend in the complexity and scope of FOI requests. Increasingly, requests involve significant volumes of information, cross-departmental coordination, and detailed consideration of exemptions under the Act. As a result, we anticipate that a growing proportion of future requests will require extensions beyond the standard 20 working day timeframe to ensure that responses are accurate, comprehensive, and compliant. For this quarter, two responses were completed within the 20 working day target, while one exceeded this limit due to its complexity.

Our mean and median response times for the quarter are 20 and 19 days, respectively.

Communications and engagement

Website activity for the quarter has declined slightly compared with the previous period. Median daily users to the LSB website decreased from 159 in Q1 to 131 in Q2, although engagement rates have remained steady at 64%. The microsite also saw a modest decline in engagement rates to 38% from 46% last quarter.

Social media engagement continues to demonstrate consistent growth overall. Our LinkedIn following increased by 122 this quarter, bringing the total to 3,350 followers. Although this represents a slower rate of growth compared with earlier quarters, our LinkedIn engagement rate of 6.7% remains stable following the previous quarter’s decrease. Our new Bluesky account also continues to gain traction, now with 398 followers.

The Chair’s blog continues to maintain stable readership and engagement. Monthly views for June and September were lower than the peaks seen earlier in the year, but engagement rates have remained consistently strong at 88%. Senior engagement activity remains high, maintaining the steady pattern of engagement observed throughout the year.

Our response to the Harman report on bullying at the Bar, the independent report into Axiom Ince, and the publication of our statutory guidance on the economic crime regulatory objective attracted media coverage this quarter. Our recent publications and communications activity have continued to attract attention. The most downloaded documents this year included the

PERL Consultation and the Regulatory Performance Assessment, each receiving over 450 downloads.

Finance – prompt payment – background

The LSB usually undertakes one payment run per week.

Prompt payment data is reported quarterly to the Ministry of Justice in line with Government guidance.

Finance – prompt payment – analysis

We processed 60 invoices in Q2. This figure demonstrates a decrease in volume compared to the same quarter last year (75 in Q2 24/25) but remains steady when compared with Q1.

We paid 56 (93%) of these invoices within five working days. We paid 100% of invoices within 10 working days. Disputed invoices are excluded from this calculation.

On average we paid our invoices in 2.4 days in Q2, which is in line with the same quarter last year and remains within our target.

Human Resources

The number of colleagues who cite that they feel connected to the rest of the LSB remains high at 94%. Further, our latest pulse survey continues to demonstrate that the majority (64%) of colleagues feel confident about SLT's ability to make the right decisions, manage change and ways of working. This has declined over recent months; as such we are developing an action plan in response to this feedback to address and reverse this decline. In addition, SLT has approved a project to strengthen our approach to resource profiling, pipeline management and prioritisation. This decision reflects a growing need to modernise how we manage and plan capacity across the team, prioritise our activities, produce robust management information and respond to increasing complexity across our portfolio. This work also complements our internal Capacity and Workload task and finish group which has been gathering wider intelligence via focus groups to inform our understanding of capacity and workload pressures across the LSB as a whole.

We have spent approximately £10k on training and development so far, leaving our remaining spend at approximately £58k for the remainder of the financial year.

Sickness absence days decreased in Q2 to 22.5 days from 66 days reported in Q1. The sickness absence rate in Q2 was 0.5 days per colleague for this period, compared with 1.7 day per colleague in Q1.

Three colleagues resigned in Q2 - one replacement has subsequently joined the organisation (10 November) and another will join the LSB on 1 December. The recruitment campaign for a new LSB CEO is underway.