LSB 2025-26 Q3 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. A proposal was presented to our Board in February 2026 to modify our approach to oversight for consideration and approval.

During Q3, we published our independent review of the SRA's regulation of SSB Group Ltd (16 October), which has led to the LSB initiating enforcement action. We have continued to monitor progress against the Directions imposed on the SRA in 2025, and the voluntary undertakings we have in place with the BSB.

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

Regulatory review: In view of the High Court decision in *Mazur*, the team commenced its 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. We issued the section 55 information request on 28 October, and published an interim report on 29 January 2026. The final report is expected to be published following the outcome of the Court of Appeal hearing. In parallel, we commenced a short-life project to explore relevant data and evidence which help us assess whether the judgment is having a wider effect. Alongside this we are exploring contingency policy options. This will allow us to ensure that we know at the earliest possible point whether further action is required and what the options are. We are conducting wider engagement across the sector and convened the regulators on 19 November for a further meeting.

Enhanced market surveillance and horizon scanning: The team has continued to develop our framework and approach to horizon scanning 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 presented our policy statement and consultation analysis at our Board meeting in February 2026, and anticipate publishing the final statement at the end of March. We have continued to develop the terms of reference for our Professional Ethics Network, and plan to convene a roundtable in parallel with the launch of our final policy statement later in the financial year.

The LSB attended a stakeholder meeting convened by the Department of Business and Trade (DBT) on 30 October to hear about proposed amendments to secondary legislation to the Employment Rights Act regarding acceptable use of Non-Disclosure Agreements. DBT will be consulting on the proposed changes early next year. We also attended a regular quarterly meeting on 6 November with the SRA to discuss SLAPPs and abuse of litigation cases. The SRA shared updates in relation to high profile cases. We also shared an update on our PERL work, emphasising that a stronger ethical foundation - and a clear recognition that client interests must not override the public interest - is essential to counter abusive litigation tactics, including through SLAPPs.

Equality, diversity and inclusion: We launched our public consultation on 27 November, which closed on 2 March 2026.

In October and November, the LSB continued its external engagement to promote diversity and wellbeing in the legal profession. Highlights include launching an External Speaker Series utilising the Legal Regulators EDI Forum, featuring discussions on inclusive language and professional wellbeing; presenting at the Mad World Summit on LawCare's Life in the Law report, and presenting strategies for inclusion at the International Conference of Legal Regulators in Hong Kong.

Consumer protection: 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).

In partnership with our Public Panel, we have commenced 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. We expect the outcomes from this research to be published in Q4.

We have also written to Minister Sackman on a range of issues including mass claims, our enforcement work and the actions we are taking to protect consumers. As part of this we continue to advocate for third-party litigation funding to be regulated by the Financial Conduct Authority as a type of loan. It is our view that this would ensure a single and cohesive regulatory framework and reduce the risks posed by the misalignment of incentives.

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: While our substantive project focusing on economic crime has closed, we have still continued to act this area. In late October the government announced its decision to consolidate responsibility for Anti- Money Laundering /Counter Terrorist Financing (AML/CTF) supervision of legal, accountancy and trust and company service providers under the Financial Conduct Authority (FCA). Under this approach, all legal firms currently supervised for AML/CTF matters by legal professional body supervisors (such as the SRA, CLC, etc.) would be supervised by the FCA.

In order to implement this proposed change to the AML supervisory system, the government will need to pass enabling legislation and to this end, HMT has published a consultation seeking views on the powers, duties, and accountability mechanisms the FCA should be provided with. The LSB responded to this consultation after convening meetings with regulators and the SDT, as part of efforts to ensure that the transition to the new proposed supervisory system is smooth and consistent with the Legal Services Act.

LSB strategy: Our draft 2026/27 Business Plan and Budget was presented at our Board meeting in November, and the public consultation was subsequently launched on 17 December. The final Business Plan and Budget was reviewed by our Board at its March meeting and is expected to be published in April.

In parallel with the launch of our business plan consultation, we published the new *State of Legal Services* report which reviews progress at the halfway point of the ten-year *Reshaping Legal Services* strategy. The strategy aims to reshape legal services to better meet society's needs through fairer outcomes, stronger confidence, and better services.

Due to ongoing priorities we have decided to move our Annual Conference to November 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.

Enhancing our approach to monitoring and evaluation: We have commissioned an external consultant, the Centre for Strategy and Evaluation Services, to support us to review and refine our approach to monitoring and evaluation of the impact of our work. This work is due to deliver in Q4.

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 Q3, we received five new applications for alterations to regulatory arrangements. We made seven decisions during the quarter.

We have observed an increase in processing time of our applications, with four low risk applications requiring an extension, while one was completed within 28 days. One higher risk decision was processed within the target of 28 days or fewer, and the other requiring an extension. This can be attributed to a combination of complex issues raised by some Practising Fee applications and the need to ensure the delivery of benefits to consumers aligned to the implementation of regulatory arrangements in relation to first tier complaints. As a result of this, the 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. In parallel, Q3 is our peak annual Practising Fees season, with five decisions being made this quarter. We also issued two exemption decisions during the quarter.

We successfully met all publication deadlines for both applications and decisions.

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 457 general enquiries in Q3, continuing the upward trend seen in recent quarters. Attributing factors likely to be influencing this pattern include high profile events such as the ongoing repercussions of the High Court Mazur vs Charles Russell Speechlys judgment and the LSB's enforcement action. For example, around 5% of overall enquiries were regarding the Mazur case during this quarter. 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.

Due to the implementation of a new software system during the reporting period, historical and in-system data required to reliably analyse response times is currently unavailable. However, as we move forward we expect that the new system will enable us to identify and assess the most meaningful trends available for analysis.

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. 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.

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 six Freedom of Information requests this quarter and responded to 10. Over the course of the year we have received 19 requests.

We continue to observe an 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, six of our responses were completed within the 20 working day target, two responses required an extension and the other two exceeded the 20 day target due to overall complexity.

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

Communications and engagement

Website activity for the quarter has increased slightly compared with the previous period. Median daily users to the LSB website increased from 131 in Q2 to 169 in Q3, returning to the stability observed in previous quarters. Engagement rates remain steady at 63%. The microsite also saw a modest decline in engagement rates to 36% from 38% last quarter.

Social media engagement continues to demonstrate consistent growth. Our LinkedIn following increased by 370 this quarter, bringing the total to 3,720 followers. Our LinkedIn engagement rate of 6.7% remains stable when compared with previous quarters. Our Bluesky account continues to gain traction, now with 401 followers.

The Chair’s blog continues to maintain stable readership and engagement. Monthly views for October reached 112, returning to the higher levels observed earlier in the calendar year. Engagement rates have remained consistently strong at 88% (October) and 73% (November).

Senior engagement activity remains high, maintaining the steady pattern of engagement observed throughout the year.

Our recent publications (such as the launch of our EDI and Business Plan consultations) and communications activity have continued to attract attention. Our social media activity on the

Mazur case and updates from our attendance at the International Conference of Legal Regulators in Hong Kong also stimulated engagement.

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 55 invoices in Q3. This figure continues to demonstrate a decrease in volume compared to the same quarter last year (74 in Q3 25/26) but remains steady when compared with previous quarters this financial year.

We paid 48 (87%) 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 3.0 days in Q3, which remains in line with previous quarters this year and remains within our target.

Human Resources

We are in the process of analysing the findings from our latest Colleague Engagement survey which is carried out by an external consultancy every two years. We achieved a very high response rate with over 90% of colleagues responding. The findings in relation to the LSB culture, the variety of work we offer and our flexible working policy, were positive and we continue to score above the BMG benchmark on many measures. The survey also highlighted similar trends emerging from our internal pulse survey data, including feedback around increasing workload and capacity pressures and throughput of decision making. To respond to this feedback, SLT has continued work to strengthen our approach to pipeline management and prioritisation, and is working to rationalise and streamline the decision making and sign off process in order to ease bottlenecks.

We have spent approximately £18k on training and development so far, leaving our remaining spend at approximately £58k for the remainder of the financial year.

Sickness absence days increased in Q3 to 49 days from 23 days reported in Q2, with the sickness absence rate increasing. This is largely attributed to one period of long-term sick leave, as well as seasonal illness. The sickness absence rate in Q3 was 0.6 days per colleague for this period, compared with 0.5 day per colleague in Q2.

Richard Orpin has been appointed as the LSB's permanent CEO following an open recruitment process. There were no resignations.