

Consumer protection: Our review and what need to know

- Launched in February
- Feedback from > 200 stakeholders, research
- Biggest risk to consumers is safeguarding their money
- Next step = consultation

Client money in legal services

Safeguarding consumers and providing redress

Our consultation

- How and when firms hold client money
- Protecting the client money that firms hold
- Delivery of and paying for a sustainable compensation fund

Holding client money

- Exploring whether firms should hold client money in the long term and the alternatives to a client account
- Considering ways to reduce the incentives to hold client money
- Considering removing the ability of firms to retain, or otherwise benefit from, interest earned on client accounts

Holding client money

Also considering how we may change rules about:

- how much of a client's money can be held in advance of the legal work being done
- how long client money can be held after a matter has concluded
- when firms are allowed to move money from the client account to the office account

Protecting client money that firms hold

- Exploring what else we could do to identify, assess and monitor potential risks when solicitors hold client money
- Also discussing whether current safeguards need to be strengthened – both within firms and those provided externally

A sustainable compensation fund

- Discussing fund contribution levels and making proposals as to how these could be reapportioned
- Exploring how we can continue to provide appropriate consumer protections, while maintaining the sustainability of the fund



We want to hear from you

- The client money in legal services consultation will be launched in November
- Find us on stand 19 until 16.00

