

Section 32 LSB Directions

Progress Report

Reporting period: 30 August – 28 November 2025

Report submission date: 28 November 2025

RAG Ratings

	Step complete
	On track for completion by implementation date
	At risk of missing implementation date
	Step is overdue past the implementation date

Executive summary

There were 17 steps due for delivery in this reporting period (30 August – 28 November). These were –

- **1. Governance**
 - Requirement 1(a)(ii) – Step 1 and Step 3
 - Requirement 1(a)(iii) – Step 1
- **2. Risk**
 - Requirement 2(a)(i) – Step 2
 - Requirement 2(a)(v) – Step 1 and Step 2
- **3. Authorisation**
 - Requirement 3(a)(i) – Step 1 and Step 2

- **4. Client money**
 - Requirement 4(a)(ii) – Step 1 and 2
- **5. Sale, merger and acquisition**
 - Requirement 5(a)(i) – Step 1, Step 2 and Step 3
- **6. Supervision: Pre-intervention procedures**
 - Requirement 6(a)(i) – Step 3, Step 4 and Step 5
 - Requirement 6(a)(ii) – Step 6

16 of these steps have been delivered as envisaged in the original implementation plan and are shown as 'complete' in the report below.

1 step (5ai – step 3) has not been delivered as envisaged in the original implementation plan. Rather than pressing ahead and consulting on a rule change without the detail of how it would be used, we now plan to consult on a rule change alongside policy proposals on how the rule would be used. We believe this approach is in the best interests of stakeholders, informed by feedback we have had. We would not have put the rule into effect until we had reached our policy positions so not consulting on the rule in advance does not impact delivery of the overall requirement. We have had supportive dialogue with the LSB on this change in approach. Alongside this report, we have submitted a revised implementation plan which reflects the change in timeline for the sale, merger and acquisition requirement.

Our revised implementation plan also includes changes to the timeline for a step in the authorisation direction (3ai step 3), and the client money direction (4aii step 3). These changes concern our approach to launching the next phase of our client money in legal services consultation. We will now be launching our consultation in early December rather than November, and it will run until mid-February. Launching in early December ensures we have all publication and engagement activity lined up effectively. And, following engagement with stakeholders, we consider it beneficial to lengthen the consultation period to make allowance for the Christmas period. The revised timetable will see us consult for 10 weeks rather than 8. We have also had supportive dialogue with the LSB on these changes and will reflect them in the revised implementation plan.

In line with the implementation plan, several of the steps that have been delivered in this quarter will be followed by implementation activity to be completed during the direction's compliance window. These include three areas under the governance requirement where we will now focus on delivering enhancements before the end of April 2026. We have reviewed our processes and guidance on impact assessments, our approach to evaluating regulatory decisions, and our processes around the recording of key decisions. We will implement updates and enhancements before the end of April 2026.

<h2>1. Governance</h2> <p>Put in place governance changes that deliver demonstrable improvement in regulatory effectiveness and efficiency. These changes must result in a regulatory approach that better protects and promotes the public interest and the interests of consumers and promotes and maintains adherence to the professional principles.</p>					
Requirement	Headline actions	Steps	Implementation date	Progress	RAG
1(a)(i) demonstrate improved Board-level oversight of regulatory risk and intelligence activity, including through a clear reporting cycle to the SRA Audit and Risk Committee and Board, which also allows for the appropriate escalation of risks,	<ul style="list-style-type: none"> Within 12 months, focused on the regulatory objectives including consumer protection and the public interest, we will have: Embedded relevant governance structures, involving appropriate Board oversight and an agreed cadence of regular reporting from the Risk and Intelligence Framework (RIF) through to Audit and Risk Committee (ARC) and Board. This will incorporate existing Risk Management Framework (RMF) 	1. Board to agree clear regular reporting cycle to ensure overview of RIF activities.	1. By end of July 2025	Step completed in previous reporting period. See August report for detail. Note – our Board agreement with the new reporting cycle was minuted at our September Board meeting.	
		2. Improvements include oversight of RIF arrangements (i.e. reports on the processes adopted, including trials of embedded intelligence staff), updates to the RMF so that Mid-tier Risk Register (MRR) explicitly cover market risks, and regular ARC review of MRR.	2. By end of December 2025	<ul style="list-style-type: none"> The Risk Management Framework was approved by the Audit & Risk Committee on 2 September. Market risks that have been identified to date are now included in the Mid-tier Risk Register for review as a standing item at ARC. A Hub and Spoke approach is being trialled to support the identification of new market risks. Regular reports of RIF activity to ARC began in September and will continue in December. The RIF activity report is now a standing ARC item appended to the strategic risk update. 	
1(a)(ii) implement procedures to assess the impact of regulatory decisions on the public and consumers, and to enable evaluation of the SRA's regulatory effectiveness generally, and		1. Review and revise as necessary guidance, templates and desk notes on regulatory impact assessments (RIAs), including around incorporating lessons learnt from previous regulatory changes and our assessments of them.	1. By end of November 2025	We carried out a review of our current impact assessment processes, templates and guidance, supported by an external provider. This diagnostic review incorporated insights on industry best practice for impact assessments. It has informed updates to our materials for staff, which we intend to pilot for implementation by April 2026 in line with Step 2.	
		2. Implement updated regulatory impact assessment arrangements, including	2. By end of April 2026	We have planned a phased implementation approach which allows time to pilot, refine and embed the RIA framework based on operational experience.	

1. Governance

Put in place governance changes that deliver demonstrable improvement in regulatory effectiveness and efficiency. These changes must result in a regulatory approach that better protects and promotes the public interest and the interests of consumers and promotes and maintains adherence to the professional principles.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	<ul style="list-style-type: none"> reporting activities. Reviewed approaches and implemented updated, proportionate (i.e. not necessarily applying to every decision/action) procedures in respect of (a) regulatory impact assessments; (b) recording key decisions; and (c) evaluation of regulatory effectiveness. 	<p>training. The arrangements will reflect lessons learnt from evaluations.</p> <p>3. Review and revise evaluation arrangements within the SRA, including how lessons learnt can be fed back into the decision-making process (we will build on a tiered system to undertaking evaluations. Our arrangements will be proportionate – for example they may include a mix of set-piece evaluations for large-scale regulatory programmes and dip sampling of effectiveness of smaller regulatory actions).</p> <p>4. Implement evaluation arrangements.</p>	<p></p> <p>3. By end of November 2025</p> <p>4. By end of April 2026</p>	<p>We intend to roll out the framework out by April 2026.</p> <p>We have conducted an internal review of our existing approach to evaluating the effectiveness of regulatory decisions. The review produced recommendations for enhancements to our evaluation arrangements. The recommendations are separated into short-term, medium and long-term based on the scale of change and effort required.</p> <p>We intend to implement the short-term recommendations by April 2026 in line with Step 4 of this requirement</p> <p>Our review identified a short-term recommendation to create and roll out evaluation planning guidance.</p> <p>We intend to develop and pilot our evaluation planning guidance between November 2025 and March 2026, to launch alongside our RIA process. We plan that a training and roll out package will cover both RIAs and evaluations, ensuring staff are aware of how the two processes dovetail and support each other.</p>	
1(a)(iii) ensure consistent, accurate and timely		1. Review arrangements for ensuring consistent, accurate	1. By end of November 2025	We have conducted a review of our existing processes and guidance for recording decisions.	

1. Governance <p>Put in place governance changes that deliver demonstrable improvement in regulatory effectiveness and efficiency. These changes must result in a regulatory approach that better protects and promotes the public interest and the interests of consumers and promotes and maintains adherence to the professional principles.</p>					
Requirement	Headline actions	Steps	Implementation date	Progress	RAG
records of all significant governance decisions and regulatory decisions are kept and maintained.		and timely records of all significant governance decisions and regulatory decisions are kept and maintained.		<p>Through this review we have identified some recommendations for enhancements to our processes for making and recording governance, regulatory policy and operational decisions.</p> <p>These recommendations will be delivered by April 2026, in line with step 2 of this requirement.</p>	
		2. Improve record keeping arrangements and training/guidance as required.	2. By end of April 2026	<p>Our review identified recommendations for enhancements to our processes for making and recording governance, regulatory policy and operational decisions. Enhancements include sharing best-practice processes across teams to improve consistency and delivering targeted training to impacted teams to ensure ways of working are consistently followed.</p> <p>These improvements will be delivered by April 2026.</p>	

2. Risk

Strengthen risk functions and market intelligence to ensure a proactive and integrated approach to identifying and responding to risk across the legal sector.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
2(a)(i) establish and embed a framework for the ongoing, proactive identification and assessment of risks to consumer interests and the public interest, including those arising from firm structures,	<ul style="list-style-type: none"> Within twelve months, focused on the regulatory objectives including consumer protection and the public interest, the SRA will have: Tested, evolved and embedded a strategic approach to risk identification and management. No approach can identify every risk, but this approach will: Gather insights from across the organisation, and externally, which will allow 'bottom-up' intelligence to be captured and marshalled Enable top-down, strategic assessment to 	<p>1. Deliver proactive and integrated approach to identify and respond to risks. Although it won't identify every risk, by linking to our evolving harms framework, we will be in a stronger position to identify and understand the potential impact of the most important risks. Our supporting work will be focused on spotting patterns, sharing information, and supporting evidence-based decision making. Our new RIF is already in place.</p> <p>2. Board to agree Harms Framework, covering all Regulatory Objectives including the impact on consumer interests and the public interest</p>	<p>1. Already in place, but we will continue to evolve our approach – see further steps</p> <p>2. By end of September 2025</p>	<p>We already have our current Risk and Intelligence Framework in place but see updates on further progress below.</p> <p>The Harms Framework (within a paper titled 'guidance on regulating to prevent harm') was discussed and agreed at ARC on 2 September 2025 and subsequently submitted to our 9 September Board as part of the ARC summary paper.</p> <p>The Board agreed the proposed changes to the RMF, including the harms framework, and this agreement is captured in our September Board minutes.</p>	 

2. Risk

Strengthen risk functions and market intelligence to ensure a proactive and integrated approach to identifying and responding to risk across the legal sector.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	<ul style="list-style-type: none"> identify the key risks related to legal services Deliver more informed, risk-based decision making. Ensured that all strands of intelligence and risk work, including Horizon Scanning, feed into a single Framework for the identification and management of risk. There will be clear, documented, intelligence flows through the SRA's RIF. 	<p>3. Review of Risk and Data Operating Model.</p> <p>4. Potential new Risk and Data Operating Model agreed and implemented.</p>	<p>3. By end of March 2026</p> <p>4. Through 2026 (part of continuous improvement which will continue beyond the 12-month implementation period for these directions)</p>	<p>Activity has commenced to review our risk and data operating model. We have established a framework (value chain and process taxonomy) through which our current state can be assessed.</p> <p>Over the next quarter we will be undertaking a series of deep dives into the various components of our operating model (i.e. people, technology, governance, process, organisational structure, partnerships) with a view to develop a series of recommendations.</p>	
2(a)(ii) develop risk-based systems and procedures to proactively collect, and analyse market intelligence, including identification and assessment of risks arising from the sale, merger and acquisition of firms,	<ul style="list-style-type: none"> Developed an approach for a Market Risk Assessment (sometimes called a Strategic Risk Assessment) 	<p>1. Establish processes for market risk assessment.</p>	<p>1. By end of January 2026</p>	<ul style="list-style-type: none"> A plan is in place and work is underway to deliver the first strategic assessment of market risk The Risk and Intelligence framework processes are being iterated Ownership of identified market risks has been allocated, and regulatory activity is now reported against identified market risks where relevant. 	

2. Risk					
Strengthen risk functions and market intelligence to ensure a proactive and integrated approach to identifying and responding to risk across the legal sector.					
Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	which will be an analysis of the key risks to consumers, the profession and to regulation.	2. Conduct market risk assessment, including reviewing risks arising from firm structures and from the sale/merger/acquisition of firms.	2. By end of April 2026	Work has begun on the market risk assessment.	
2(a)(iii) develop effective sharing of market intelligence and regulatory data between internal teams to support timely and efficient authorisation, supervisory and enforcement decisions,	<ul style="list-style-type: none"> Developed plans for the ongoing development of RIF, including by identifying what additional tools and organisational processes are needed to continue to more effectively gather data and intelligence, identify potential risks and insights, and to address potential harm (some of these actions cover more than one requirement, and some requirements are met by a 	<p>1. We will revise the Terms of Reference (ToR) for the Risk and Intelligence Governance Group (RIG) to ensure all operational areas are represented at leadership level. The ToR will also be updated to reflect the responsibility of leaders to incorporate market intelligence and data within their decision making, both in contributing to the RIF but also in taking actions away.</p> <p>2. To evidence this, we're suggesting that actions captured in the RIF process could be periodically revisited and evaluated for effectiveness and learning lessons, creating a feedback loop.</p> <p>3. Risk Analysts will support the operational areas in the identification and quantification of market risks.</p>	<p>1. By end of July 2025</p> <p>2. We will trial this by the end of December 2025</p> <p>3. In place by end December 2025</p>	<p>Step completed in previous reporting period. See August report for detail.</p> <p>We have begun the work to support this evaluation process.</p> <p>We are currently trialling a hub and spoke approach to support the identification of market risks. This approach will include risk analysts supporting key operational areas.</p>	

2. Risk					
Strengthen risk functions and market intelligence to ensure a proactive and integrated approach to identifying and responding to risk across the legal sector.					
Requirement	Headline actions	Steps	Implementation date	Progress	RAG
2(a)(iv) use market intelligence to inform regulatory approach and policy development, to ensure that they are effective in identifying and acting on risks, and	combination of actions – e.g. 2(a)(i) and 2(a)(ii) overlap significantly:	1. We will revise the Terms of Reference for the RIG to ensure all operational areas are represented at leadership level. The ToR will also be updated to highlight explicitly the responsibility of leaders to ensure policy making is informed by market intelligence and data.	1. By end of July 2025	Step completed in previous reporting period. See August report for detail.	
		2. Providing risk analyst support to policy development projects, as part of working / steering groups to assist with that read across from RIF and to help with analytical products.	2. By end of December 2025	We are currently trialling a hub and spoke approach to support the identification of market risks. This approach will include risk analysts supporting key policy teams and initiatives.	
2(a)(v) demonstrate delivery of all of the above requirements, through internal reporting mechanisms and regular reporting to senior leadership.		1. Implement processes for documenting and scoring identified market risks in RMF .	1. By end of September 2025	Our processes for documenting and scoring identified market risks were approved in the Risk Management Framework by the Audit & Risk Committee on 2 September. The changes to the RMF (including market risk impacts) were also agreed and minuted at our September Board.	
		2. Review internal reporting mechanisms (including reporting to senior leadership) for RIF.	2. By end of November 2025	We have approved our Harms framework (see 2ai step 2) and our process for documenting and scoring market risks in our RMF (see 2av step 1).	

2. Risk

Strengthen risk functions and market intelligence to ensure a proactive and integrated approach to identifying and responding to risk across the legal sector.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
			and end of April 2026	We have conducted an internal review of our current reporting mechanisms, including the above changes, and have produced a report summarising the current state of maturity. This report will be shared with our Audit and Risk Committee in early December. A second review will be completed before the end of April 2026.	

3. Supervision – Authorisation

Strengthen the SRA's authorisation controls to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles, to address the concentration of ownership, compliance and management roles in one individual.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
3(a)(i) Revise its regulatory arrangements and guidance to put in place an effective risk-based approach to protect consumers and the public from potential harm arising from a single individual holding more than one role in a firm or other authorised body e.g.	<ul style="list-style-type: none">Within twelve months, focused on the regulatory objectives including consumer protection and the public interest, the SRA will have:	<ol style="list-style-type: none">1. Finalise policy position and proposed solution. Draft any proposed rule changes. Prepare consultation.2. Board approval to consult on any proposed rule changes.	<ol style="list-style-type: none">1. By end of October 20252. By end of October 2025	We have prepared a set of policy options for consultation which seek to provide proportionate checks and balances on individuals who have influence and control within firms. On 28 October the Board agreed with our policy position and proposed rule changes, subject to final clarifications.	 

3. Supervision – Authorisation

Strengthen the SRA's authorisation controls to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles, to address the concentration of ownership, compliance and management roles in one individual.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
owner, manager, compliance officer for finance and administration, and money laundering compliance officer	<ul style="list-style-type: none"> Where reasonably possible and proportionate, made changes to our regulatory arrangements, and / or guidance, in respect of an individual being able to hold multiple ownership, management and compliance roles to mitigate risks associated with concentration of roles held by single individuals. Developed a project plan for rolling-out changes 	3. Consultation on any proposed rule changes.	3. Between November – December 2025	<p>The consultation will begin in early December and will run until mid-February</p> <p>The relevant policy options and rule changes are set out in the 'strengthening checks and balances within law firms' section.</p>	
		4. Evaluate consultation response.	4. Between January – May 2026	The evaluation of responses will run from February to May.	
		5. Board agrees positions and makes any necessary rule change(s)	5. By end of May 2026	Dependent on the successful completion of previous steps.	
		6. Set initial project plan for future implementation of rules, including plan for retrospective application to those previously authorised	6. By end of May 2026	Dependent on the successful completion of previous steps.	
		7. Submit LSB application.	7. By end of May 2026	Dependent on the successful completion of previous steps.	
		8. LSB evaluation of rules change (90-day estimate)	8. By end of August 2026 (Assumes 90 days)	Dependent on the successful completion of previous steps.	

3. Supervision – Authorisation

Strengthen the SRA's authorisation controls to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles, to address the concentration of ownership, compliance and management roles in one individual.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
		9. Set refined project plan for future implementation of rules, including plan for retrospective application to those previously authorised	9. By end of September 2026	Dependent on the successful completion of previous steps.	

4. Supervision - Client money

Strengthen the regulation of client money to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
4(a)(i) use an effective risk-based approach to assess the potential for consumer or market harm arising from firms' financial stability, including where appropriate through obtaining and reviewing firms' financial and accounting information, and	<ul style="list-style-type: none"> Within twelve months, focused on the regulatory objectives including consumer protection and the public interest, the SRA will have: 	1. Establish and conduct review of potential harms related to financial stability of firms.	1. By end of January 2026	We have appointed an external supplier to conduct a review of potential consumer or market harms related to financial stability of firms. The review is due for completion by the end of the year. We will consider the review findings and identify if any changes to our processes and regulatory arrangements are required.	
		2. Identify any relevant changes to processes and/or regulatory arrangements.	2. By end of April 2026	Potential changes will be dependent on the outputs of step 1.	

4. Supervision - Client money

Strengthen the regulation of client money to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	<ul style="list-style-type: none"> Reviewed the harms that can flow from firms' financial stability, and made proportionate changes to our arrangements as appropriate, for example potentially by updating firms' obligations to supply us with relevant information. Made changes to our regulatory arrangements and developed an implementation plan and set a go-live date for an enhanced approach to the information that is received from law firms that 	3. Implement any internal changes.	3. Delivery date to be confirmed once review complete and changes identified – some changes may be beyond 12-month period	Dependent on the successful completion of previous steps.	
		4. If the review identifies changes to regulatory arrangements, then set plan for finalising policy position/proposed solution/draft rules and consultation/Board approval thereof/consultation/evaluation of responses/Board making rules/submission to LSB etc once review complete.	4. By end of May 2026	Dependent on the successful completion of previous steps.	
4(a)(ii) ensure firms have effective safeguards to protect client money.		1. Finalise policy position, proposed solution. Draft any proposed rule changes. Prepare consultation.	1. By end of October 2025	We have prepared a set of policy options for consultation which seek to strengthen our accountants' reports regime.	
		2. Board approval to consult on any proposed rule changes.	2. By end of October 2025	On 28 October the Board agreed with our policy position and proposed rule changes.	
		3. Consultation on proposed rule changes.	3. Between November – December 2025	The consultation will begin in early December and will run until mid-February.	

4. Supervision - Client money

Strengthen the regulation of client money to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	hold client money through the annual reporting accountant process including: <ul style="list-style-type: none"> Intelligence that will identify firms who are not getting an annual report as required, supported by a robust monitoring process Greater clarity about the indicators of risk to client money that it requires reporting accountants to look for and report (articulated through updated guidance and templates) Following the completion of our 			The relevant policy proposals and rule change are set out in the 'strengthening the accountants' reports regime' section.	
	4. Evaluate consultation response.	4. Between January – May 2026		The evaluation of responses will run from February to May.	
	5. Board agrees positions and makes any necessary rule change(s).	5. By end of May 2026		Dependent on the successful completion of previous steps.	
	6. Set initial project plan for future implementation of rules.	6. By end of May 2026		Dependent on the successful completion of previous steps.	
	7. Submit LSB application.	7. By end of May 2026		Dependent on the successful completion of previous steps.	
	8. LSB evaluation of rules change (90-day estimate).	8. By end of August 2026		Dependent on the successful completion of previous steps.	
	9. Set refined project plan for future implementation of rules	9. By end of August 2026		Dependent on the successful completion of previous steps.	

4. Supervision - Client money

Strengthen the regulation of client money to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	“Client money in legal services - safeguarding consumers and providing redress” consultation process, defined implementation plans for changes to controls, checks and balances around client money within law firms as appropriate				

5. Supervision - Sales, mergers and acquisitions

Introduce oversight mechanisms for firm consolidation activity to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
5(a)(i) put in place measures to enable more effective risk-based	<ul style="list-style-type: none"> Within twelve months, focused 	1. Develop initial policy options around potential risk indicators and notification requirements.	1. By end of October 2025	We have developed initial policy options for increased oversight of firm consolidation activity. These initial policy options were shared with the Board on 28 October.	

5. Supervision - Sales, mergers and acquisitions

Introduce oversight mechanisms for firm consolidation activity to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
scrutiny of firms undergoing sale, merger or acquisition, including where relevant ensuring that the SRA receives advance notice of such activities,	<p>on the regulatory objectives including consumer protection and the public interest, the SRA will have:</p> <ul style="list-style-type: none"> Identified arrangements specifying the circumstances in which firms must notify us when they are undertaking activity that will significantly change their profile including because of sale, merger and acquisitions, and when they must notify us. 	<p>2. Identify any rule changes needed, draft rule changes. Prepare consultation.</p> <p>3. Board approval to consult on proposed rule changes that sets the environment to call in different information.</p> <p>4. Consultation on proposed rule changes.</p> <p>5. Evaluate consultation responses.</p> <p>6. Implement any appropriate internal process improvements.</p>	<p>2. By end of October 2025</p> <p>3. By end of October 2025</p> <p>4. Between November – December 2025</p> <p>5. Between January – May 2026</p> <p>6. By end of April 2026</p>	<p>When we proposed this step in the plan, we originally envisaged setting a framework with an enabling rule which would allow for different approaches for how the rule could be used over time. Whilst we still think that this is the right framework, our thinking has now evolved to where we believe it would be more meaningful and practical to consult on a proposed rule change when we also have specific proposals for how the rule would be used. This position has been informed by our early discussions with stakeholders. So, whilst we have identified a possible rule change, we do not intend to consult on it at this stage.</p> <p>Our Board agreed on 28 October that we should consult on proposed rule changes alongside proposals for what we would require of firms under the rules.</p> <p>We have drafted proposed revisions to the subsequent steps in this requirement, which include our plans to finalise policy development before the end of May 2026 and consult on proposed rule changes in June – July 2026.</p> <p>Alongside this report we have submitted a revised implementation plan which incorporates these changes.</p> <p>We have identified several internal process improvements which could be introduced.</p> <p>These will shortly be presented to our internal Programme Steering Group for agreement before implementation begins.</p>	
5(a)(ii) proactively use its powers, including for inspection and provision of information, where sale, merger or acquisition of firms presents or may present serious risk to consumers, including to enable an informed	<ul style="list-style-type: none"> Identified arrangements and processes providing for how 				

5. Supervision - Sales, mergers and acquisitions

Introduce oversight mechanisms for firm consolidation activity to better protect and promote the public interest and the interests of consumers and promote and maintain adherence to the professional principles

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
assessment of that risk to be made, and	<p>we will scrutinise the changes firms are undertaking, where proportionate, based on reported and known risk indicators.</p> <ul style="list-style-type: none"> Identified an appropriate approach to prioritise our actions based on risk and indicators of risk and have clear plans for implementing changes as soon as practicable. 	<p>7. Board to agree post-consultation positions and make rule change(s).</p> <p>8. Submit LSB application.</p> <p>9. Set initial project plan for future development of policy positions to include developing resource and expertise needed</p> <p>10. LSB evaluation of rules change (90-day estimate)</p> <p>11. Set project plan for finalisation of policy position, future implementation and prioritisation approach to deliver changes.</p>	<p>7. By end of May 2026</p> <p>8. By end of May 2026</p> <p>9. By end of May 2026</p> <p>10. By end of August 2026</p> <p>11. By end of August 2026</p>	<p>Our Board agreed on 28 October that we should consult on proposed rule changes alongside proposals for what we would require of firms under the rules.</p> <p>We have drafted proposed revisions to the subsequent steps in this requirement, which include our plans to finalise policy development before the end of May 2026 and consult on proposed rule changes in June – July 2026.</p> <p>Alongside this report we have submitted a revised implementation plan which incorporates these changes</p>	N/A
5(a)(iii) make alterations to its regulatory arrangements where the SRA considers existing arrangements are insufficient to carry out the above functions effectively and efficiently.					

6. Supervision - Pre-intervention procedures

Improve its capacity to intervene early and proportionately to prevent serious regulatory failures.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
6(a)(i) ensure its guidance for making intervention decisions and decisions to investigate concerns require the consideration of the protection and promotion of the public interest and the interests of consumers,	<ul style="list-style-type: none"> Within twelve months, focused on the regulatory objectives including consumer protection and the public interest, the SRA will have: <ul style="list-style-type: none"> improved our suite of templates and work instructions to provide a clearer audit trail of the evidence that is considered when making recommendations balanced against the criteria set down in legislation, case law and our rules (the grounds and test for intervention). improved our templates to 	<p>1. Reviewed processes and guidance for decision making on whether to intervene and investigate with supporting training for staff, ensuring it properly reflects the need to consider the protection and promotion of the public interest and the interests of consumers.</p> <p>2. Implemented identified changes for decision making process and guidance on whether to intervene and investigate with supporting training delivered for staff, ensuring it properly reflects the need to consider the protection and promotion of the public interest and the interests of consumers</p> <p>3. Amended intervention plan to capture considerations of interim measures / regulatory tools at onset of investigation</p> <p>4. Create interim measures / regulatory tools to capture considerations following progression of investigation</p>	<p>1. Review completed by end of July 2025</p> <p>2. Changes implemented by end of December 2025</p> <p>3. By end of October 2025</p> <p>4. By end of October 2025</p>	<p>Step completed in previous reporting period. See August report for detail.</p> <p>The updated shortages checklist was rolled out in August 2025.</p> <p>Intervention training materials have been consolidated into a centralised document, which will be reviewed and finalised by the end of November for rollout by the end of 2025.</p> <p>The 'Intervention Plan Template' has been updated to capture considerations of interim measures / regulatory tools at onset of investigation. The new template was rolled out in October as part of a team briefing.</p> <p>We held workshops in September to identify potential measures, tools and processes to capture considerations during the progress of an investigation.</p>	   

6. Supervision - Pre-intervention procedures

Improve its capacity to intervene early and proportionately to prevent serious regulatory failures.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	<p>provide assurance that decision makers within the SRA consider the full range of regulatory tools, including conditions</p> <ul style="list-style-type: none"> considered the benefits of, and provided guidance to decision makers on, interim measures to protect the public that should be considered in advance of any interventions reviewed whether any alternative regulatory arrangements are needed to provide for effective interim measures 	<p>5. Draft amended template wording to reflect previous considerations of interim measures / regulatory tools and guide decision makers on alternative options to intervention</p> <p>6. Draft work instructions on creation, use, and monitoring of compliance plans</p> <p>7. In addition, for 6(a)(ii), we will review options for additional regulatory powers as alternatives for intervention. Implementation timelines will</p>	<p>5. By end of October 2025</p> <p>6. By end of October 2025</p> <p>7. Review completed by end of April 2026</p>	<p>We agreed to address this via an update to the 'Interventions Interim Measure (IM) review form template'. The revised template has been created, including a section to capture considerations in relation to risk assessment and the effectiveness of an intervention. Roll out will be completed by the end of December.</p> <p>We held workshops in September to identify the preferred approach.</p> <p>A new 'Intervention Notice Template' has now been created for the recommendation of intervention. The new template was rolled out in October as part of a team briefing.</p> <p>We held workshops in September to identify the preferred approach.</p> <p>A 'Compliance Plan Work Instructions Document' has been created to set out the process to follow when using a compliance plan with a regulated person (RP), with supporting letter templates, quality assurance form and representations case review template.</p> <p>CRM changes have been introduced to support the drafted work instructions for compliance plans.</p> <p>Detailed timeline review in progress. On track for delivery by end of April 2026.</p>	
6(a)(ii) implement measures to ensure that proportionate interim protections for consumers and the public can be applied prior to formal intervention, and					

6. Supervision - Pre-intervention procedures

Improve its capacity to intervene early and proportionately to prevent serious regulatory failures.

Requirement	Headline actions	Steps	Implementation date	Progress	RAG
	<ul style="list-style-type: none"> reviewed, and updated if appropriate, our guidance on decisions to investigate 	depend on the outcome of that review.			
6(a)(iii) improve internal procedures, templates, and decision records to ensure evidence is gathered consistently, and decisions are auditable		8. Process guidance for consideration of interim conditions in all investigations	8. Already completed (the effectiveness will be reviewed in January 2026)	Process guidance in place.	
		9. Implement use of compliance plans as potential alternative regulatory arrangements	9. Already completed (the effectiveness will be reviewed in January 2026)	We will commence the effectiveness review at the end of 2025. Compliance plans in place.	