

17 May 2026

Sarah Rapson

Chief Executive
Solicitors Regulation Authority
The Cube, 199 Wharfside Street
Birmingham B1 1RN

Re: Independent Audit of Assessment-Stage Closure Decisions

Dear Ms Rapson,

I am writing on behalf of Blind Justice UK to request that the Solicitors Regulation Authority commission and publish an independent audit of assessment-stage closure decisions.

Blind Justice UK is a registered charity (No. 1217562) focused on the practical operation of the justice system. Our research has been accepted and published as formal written evidence by the Justice Select Committee. We have submitted stakeholder evidence to the Legal Services Board, acknowledged by the office of the Chief Executive on 8 May 2026.

We have analysed the SRA's own published enforcement data for 2023/24 and identified a significant accountability gap at the earliest stage of the regulatory process. The full analysis is enclosed as a research briefing with supporting evidence appendix.

The core finding is this: in 2023/24, the SRA received 11,852 reports about solicitors and closed 8,317 before any investigation began. Only approximately 510 led to a regulatory finding, a net finding rate of around 4.3%. Since 2017/18, the proportion of reports referred for investigation has fallen from around 53% to around 15%. The volume of incoming reports has barely changed.

These figures alone do not prove that the SRA is closing reports it should be investigating. The concern is narrower and more serious: the SRA does not publish enough data to allow the public, the profession, Parliament, or the Legal Services Board to test whether assessment-stage closures are safe.

The SRA does not publish the subject matter of reports closed at assessment stage. It does not publish closure reason codes. It does not publish whether closed reports involved repeat complaints about the same firm. It does not publish whether firms later subject to intervention, revocation, SDT referral, or Compensation Fund claims had previously been the subject of closed reports.

Recent failures at Axiom Ince, SSB Group, and PM Law demonstrate why this matters. Together, those matters involve more than £300 million in known or suspected client-money shortfalls, firm debts, and consumer exposure. The Legal Services Board has deployed its most serious statutory oversight tools against the SRA on all three fronts concurrently. The SRA Board has been required to appear before the LSB by the end of this month.

The public cannot currently see whether the SRA's closed-complaint pile contained earlier warnings about the same risks that later materialised. That is the complaints black hole.

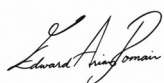
We ask the SRA to answer the following questions:

1. Does the SRA track whether firms later subject to intervention, revocation, SDT referral, or Compensation Fund claims had previous reports closed at assessment stage?
2. How many such cases have been identified in the last seven years?
3. Does the AERT see previous closed reports when assessing a new report about the same firm or individual?
4. Does the AERT have access to Legal Ombudsman complaints, Companies House data, Compensation Fund intelligence, and prior intervention risk data when making assessment decisions?
5. Why does the SRA not publish closure reason codes or assessment-stage data broken down by allegation type, firm type, and geography?
6. Why is there no independent review route for complainants whose reports are closed without investigation?
7. Will the SRA commission and publish an independent external audit of assessment-stage closure decisions?

We intend to publish this research briefing and open letter on **3 June 2026**. We invite the SRA to respond to the questions above by that date. Any response received will be published alongside the briefing.

This letter, the research briefing, and the evidence appendix are being shared simultaneously with the Legal Services Board and the Justice Select Committee.

Yours sincerely,



Edward Romain ACILEX

Founder & CEO, Blind Justice UK
Registered Charity No. 1217562

Enc. The Complaints Black Hole: Research Briefing (May 2026)
The Complaints Black Hole: Evidence Appendix (May 2026)

cc. Richard Orpin, Chief Executive, Legal Services Board
Andy Slaughter MP, Chair, Justice Select Committee

The Complaints Black Hole

How the SRA Closes Thousands of Reports Before Investigation

Research Briefing | May 2026 | Blind Justice UK

Author: Edward Romain ACILEX | Classification: Public

This document is a research briefing prepared by Blind Justice UK (Registered Charity No. 1217562). The analysis is based on publicly available data and does not constitute legal advice.

What this briefing reveals

This briefing argues that the SRA has transitioned from an investigation-led supervisory model to a high-volume triage model, without introducing equivalent transparency or independent oversight of assessment-stage closure decisions.

Blind Justice does not argue that all complaints should proceed to investigation. Effective regulation requires triage, proportionality, and filtering of unmeritorious reports. The issue examined here is whether the operation of that filter is sufficiently transparent, reviewable, and accountable.

Blind Justice analysis of the SRA's own 2023/24 data finds that only around 4.3% of reports led to a regulatory finding. Since 2017/18, the proportion of reports referred for investigation has fallen from around 53% to around 15%. Yet the SRA does not publish closure reason codes, subject-matter breakdowns, repeat-respondent data, or whether firms later subject to intervention or Compensation Fund claims had earlier reports closed before investigation.

Methodology

Data sources: SRA Investigations and Enforcement Annual Data (2017/18 to 2023/24); SRA Data Sharing API (organisation register data, pulled 17 May 2026); LSB published enforcement notices; Legal Services Act 2007; SRA Regulatory and Disciplinary Procedure Rules. Years analysed: seven regulatory years from 2017/18 to 2023/24. Referral and closure rates are calculated using total reports received as the denominator. The net finding rate (4.3%) is an approximation assuming findings in a given year arise from reports referred in the same year. Investigation cost figures are nominal and not adjusted for inflation. Blind Justice did not have access to internal SRA complaint records. This analysis relies entirely on publicly available data.

1. The Story in One Page

The next major solicitor failure may already have passed through the SRA's assessment system.

New analysis by Blind Justice UK shows that the SRA's regulatory process is now dominated by assessment-stage closure: in 2023/24, around seven in ten reports were closed before investigation, while only around one in twenty-five led to a regulatory finding.

In 2023/24, the Solicitors Regulation Authority received 11,852 reports about solicitors. It closed 8,317 before any investigation began. Only 1,763 were referred for investigation. Approximately 510 led to a regulatory finding. The net finding rate from initial report to final outcome was 4.3%.

Five findings

First, in 2023/24 the SRA received 11,852 reports and closed 8,317 before investigation.

Second, only 1,763 reports were referred for investigation, and approximately 510 led to a regulatory finding.

Third, the SRA does not publish meaningful assessment-stage closure data by allegation type, firm type, repeat respondent, risk category, or later outcome.

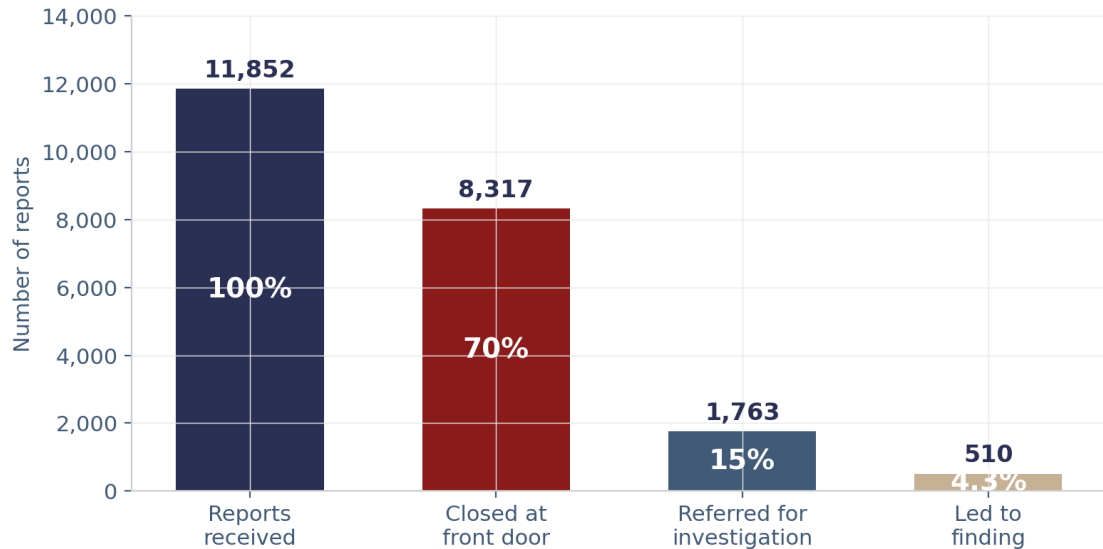
Fourth, recent failures at Axiom Ince, SSB Group and PM Law show why assessment-stage closure cannot remain a black box. These matters involve more than £300 million in known or suspected client-money shortfalls, firm debts and consumer exposure, yet the SRA does not publish whether firms later subject to intervention, revocation, SDT referral or Compensation Fund claims had earlier reports closed before investigation.

Fifth, complainants have no independent appeal route when the SRA closes a report at assessment stage.

The problem is not simply volume. It is opacity. The SRA does not publish the subject matter of reports closed at assessment stage. It does not publish closure reason codes. It does not publish whether closed reports involved repeat complaints about the same firm. It does not publish whether firms later subject to intervention, revocation, SDT referral or Compensation Fund claims had previously been the subject of closed reports. The result is a regulatory blind spot: thousands of warnings are rejected each year, but no one outside the SRA can test whether the rejections were safe.

That is the regulatory black hole at the centre of the system.

The SRA Complaints Funnel — 2023/24



Source: SRA Investigations and Enforcement Annual Data 2023/24 | Percentages use total reports received as denominator

That might be defensible if the filter were visibly reliable. But the recent record suggests otherwise. Axiom Ince, SSB Group, and PM Law each exposed serious questions about whether the SRA identifies, escalates, and acts on risk before consumers are harmed. Together, those matters involve more than £300 million in known or suspected client-money shortfalls, firm debts, and consumer exposure, repeated warning signs, intervention by the Legal Services Board, and rising costs for the profession through the Compensation Fund.

This briefing argues that the SRA does not merely have an enforcement problem. It has a transparency problem. The most consequential regulatory decisions may not occur at the end of the process, when sanctions are imposed, but at the beginning, when reports are narrowed, filtered, or closed without investigation.

The central question for the Legal Services Board, Parliament, consumers, and the profession is simple: how many warnings are being lost at the SRA's front door?

The Scandal Ledger

Case	Known harm	Warning signs	SRA response issue	Current status
Axiom Ince (SRA 8001624)	£64.5m client money shortfall	Client account concerns; authorisation and supervision failures	Delayed and inadequate intervention; authorisation of successor entity	LSB s.32 Directions; s.55 info-gathering; revoked Nov 2025
SSB Group (SRA 654321)	£200m+ estimated consumer exposure	High volume of consumer reports over multiple years	Failed supervision of claims management firm risk	LSB s.31 Performance Target; ceased Jan 2024

PM Law (SRA 421374 + 2)	£39.5m suspected missing client money	Client money and conveyancing risk indicators	Intervention only after collapse	LSB s.55 info-gathering; all 3 entities intervened Feb 2026
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2. The SRA's Front Door

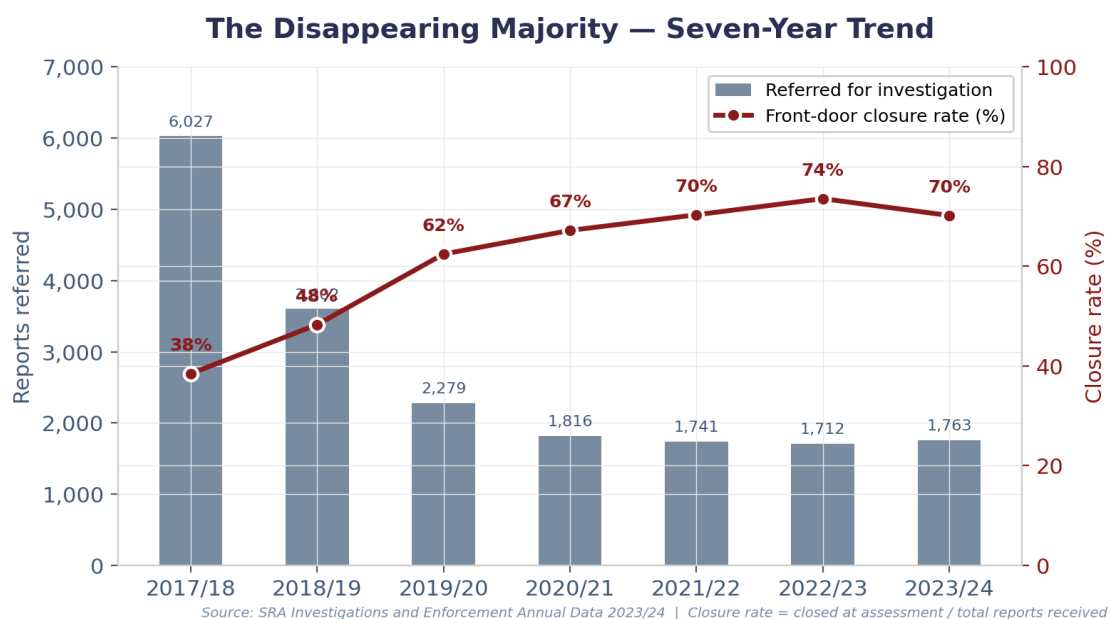
The Assessment and Early Resolution Team is the front door of the SRA's regulatory system. Every report about a solicitor passes through it. The AERT applies the Assessment Threshold Test under Rule 1.1 of the Regulatory and Disciplinary Procedure Rules, deciding which reports warrant investigation and which are closed at the point of receipt.

The Assessment Threshold Test is a three-stage filter. It asks whether the conduct, if proved, would amount to a breach of the SRA's rules; whether there is a realistic prospect of a regulatory finding; and whether investigation would be proportionate. All three must be satisfied before a report is referred. If any one fails, the report is closed.

The test is not published in operational detail. The SRA does not publish the internal guidance given to AERT officers on how to apply it. There is no public record of how individual closure decisions are reached. The system operates, in effect, as a closed process applying unpublished criteria to determine whether the public's concerns about their solicitors deserve examination.

3. The Disappearing Majority

The SRA publishes annual data on AERT outcomes. The seven-year trend is stark.



In 2017/18, the SRA received 11,452 reports and referred 6,027 for investigation, a referral rate of 53%. By 2023/24, it received a comparable volume (11,852) but referred only 1,763, a referral rate of 15%. The closure rate at the front door rose from 38% to approximately 70%.

The steepest change occurred between 2017/18 and 2020/21. During those three years, the closure rate nearly doubled. It then plateaued at around 70% and has remained there. (The SRA's own published figure is 73%; the discrepancy arises from the denominator used. Using total reports received, the rate is 70%. A proportion of reports, approximately 1,772 in 2023/24, are disposed of by other routes including referral to the Legal Ombudsman or other regulators, and are excluded from the SRA's headline figure.) This is not a gradual evolution. It is a policy step-change that was implemented over a specific period and locked in.

Of the 1,763 reports referred for investigation in 2023/24, 1,253 (71%) were subsequently closed without a finding of breach. This means that even the reports that survived initial assessment had a high probability of being closed later.

Throughout this period, the SRA's investigation costs rose from £14.5 million to £23.4 million per year. It is spending more money to investigate fewer cases.

Referrals to the Solicitors Disciplinary Tribunal, the most serious regulatory outcome, fell from 134 to 78 across the same period. Meanwhile, the number of lower-level regulatory actions (fines, rebukes, conditions) rose from 405 to 1,069. The pattern suggests a shift away from independent tribunal scrutiny and towards regulator-controlled outcomes. That may be defensible, but it requires transparency the SRA does not currently provide.

There is one further data point. In 2023/24, 57 internal reviews of assessment decisions were requested. Twenty-four succeeded, a 42% overturn rate. That does not prove the same error rate across all closures, but it raises an obvious question: what would an independent audit find if more closures were tested?

Limitations

Blind Justice did not have access to internal SRA complaint records. This analysis relies on publicly available regulatory data. It cannot determine whether specific closed complaints should necessarily have resulted in investigation. Correlation between later firm failure and earlier complaint activity does not itself establish regulatory error. The net finding rate of 4.3% is an approximation: it assumes all regulatory findings in a given year arise from reports referred in the same year, which may not be precisely the case. Investigation cost figures are nominal and not adjusted for inflation.

4. When Warnings Became Losses

This briefing does not suggest that firms later subject to intervention were necessarily mishandled at every earlier stage, nor that all prior complaints should have resulted in investigation.

A high assessment-stage closure rate is not inherently evidence of regulatory failure. All major regulators triage complaints. The issue examined in this briefing is not the closure rate itself but the absence of transparency, auditability, and retrospective accountability around the decisions being made at the front door.

The existence of later regulatory failure does not itself establish that earlier complaints should necessarily have crossed the assessment threshold. The issue is whether the absence of retrospective transparency makes independent evaluation impossible. In 2024, 2025, and 2026, three cases gave that question urgency.

The Legal Services Board used its most serious statutory enforcement powers against the SRA on three concurrent fronts: section 32 Directions (Axiom Ince), section 31 Performance Target (SSB Group), and section 55 information-gathering (PM Law). These are among the LSB's most serious statutory oversight tools. Blind Justice has identified no comparable recent period in which the SRA faced this combination of directions, performance-target action, and information-gathering scrutiny simultaneously.

The SRA Board has been required to appear in person before the LSB by the end of May 2026 to account for its performance.

In each case, concerns and risk indicators existed before the eventual intervention or collapse.

Chronology

	Axiom Ince	SSB Group	PM Law
Authorised	Dec 2022 (successor to Ince Gordon Dadds, itself revoked)	Jan 2019 (licensed body)	Nov 2011 (recognised body; 2 sister entities added Sep 2016)
Warning period	Client account concerns reported prior to collapse	High volume of consumer reports accumulated over multiple years of operation	Client money and conveyancing risk indicators present before intervention
Crisis point	Client money shortfall identified; £64.5m exposure	Firm unable to meet obligations; £200m+ consumer exposure estimated	Suspected £39.5m missing client money identified
SRA action	Intervention and revocation	Ceased with closure in progress	Intervention across all 3 entities on 5 February 2026

LSB response	s.32 Directions requiring SRA to account for handling; s.55 information-gathering	s.31 Performance Target on SRA supervision of claims firms	s.55 information-gathering into SRA handling
Register status	REVOKE (closure complete, 19 Nov 2025)	CEASE (closure in progress, 4 Jan 2024)	INTERVENE (all 3 entities, 5 Feb 2026)

5. No Appeal, No Publication, No Scrutiny

When the SRA decides not to investigate a report, the complainant has no formal right of appeal. The RDPRs provide a review mechanism for respondent solicitors who are dissatisfied with a decision to take regulatory action. No equivalent mechanism exists for complainants whose reports are closed at the assessment stage.

The SRA will, in some cases, reconsider a decision if a complainant provides additional information. But this is discretionary, not procedural. There is no independent review. There is no external scrutiny of individual closure decisions. The complainant receives a letter explaining that the report does not meet the Assessment Threshold Test and is told there is nothing further the SRA can do.

This asymmetry has a structural consequence. The system contains stronger procedural safeguards against unfounded regulatory action than against potentially erroneous regulatory inaction. The Assessment Threshold Test may, in practice, operate more as a shield against regulatory escalation than as a transparent consumer-protection filter.

Cross-Regulator Comparison

Feature	SRA	FCA	GMC
Right of appeal (complainant)	No	Yes (Complaints Commissioner)	Yes (PSA oversight)
Published closure data	Total only	Detailed by category	Detailed by category
Independent review of closures	No	Yes	Yes
Subject to FOIA	No (private body)	Yes (statutory body)	Yes (statutory body)
Retrospective audit of closures	Not published	Published annually	Published annually

The SRA's position, that its assessment decisions are final and not subject to independent review, is an outlier among professional regulators in the United Kingdom.

The Regulatory Blind Spot

The SRA does not publish:

- Subject matter of reports closed at assessment stage
- Closure reason codes or decision rationale categories
- Whether closed reports involved allegations of client money mishandling

Whether closed reports involved allegations of dishonesty or misleading conduct
Whether multiple reports concerned the same firm or individual
Whether firms later subject to intervention, SDT referral, or Compensation Fund claims had previously been the subject of closed reports
Whether AERT closure decisions have been audited after major regulatory failures
How many complainants sought review of assessment-stage closures, or what types of decisions were overturned

Without this data, independent scrutiny of assessment-stage decisions is impossible.

6. Who Pays When the Front Door Fails?

The cost of regulatory failure is not borne by the SRA's leadership. It is not borne by the firms that caused the harm. It is borne by the profession's members.

The Compensation Fund, which meets claims from consumers harmed by solicitor misconduct, is funded by the practising certificate levy paid by every solicitor in England and Wales. When firms collapse with client money missing, the Fund pays out and the levy rises. Solicitors who have done nothing wrong foot the bill for the SRA's failure to catch those who have.

The Axiom Ince matter alone involved a £64.5 million client money shortfall. The PM Law intervention involved £39.5 million in suspected missing client money. These are not theoretical exposures. They are direct costs that flow through to the profession.



Source: SRA Investigations and Enforcement Annual Data 2023/24

7. The Structural Problem

The SRA's ethical architecture gives special prominence to public trust and confidence in the profession. In practice, this creates a recurring tension: when client harm, professional reputation, and institutional credibility collide, which value wins?

The evidence examined in this briefing raises questions about whether institutional risk management has become prioritised over transparent escalation and external scrutiny. A high closure rate at the front door may contribute to a statistical appearance of lower misconduct prevalence. Fewer investigations mean fewer published findings. Fewer published findings mean a profession that appears, from the outside, to be well-regulated.

The Legal Services Act 2007 was supposed to rebalance this. Its regulatory objectives include protecting and promoting the interests of consumers. The Act created the Legal Services Board specifically to oversee frontline regulators like the SRA and ensure they met those objectives. Nearly twenty years on, the LSB is using its most serious enforcement powers against the SRA on three concurrent fronts. The extent of that rebalancing is now under active scrutiny.

The question is whether the SRA's most consequential regulatory decisions are being made at the assessment stage, before formal investigation begins, and without sufficient transparency to test whether those decisions are safe.

8. Questions for the SRA

The following questions arise directly from the analysis in this briefing. They are the questions that the Legal Services Board, the Justice Select Committee, and legal journalists should be asking the SRA.

1. Does the SRA track whether firms later subject to intervention, revocation, SDT referral, or Compensation Fund claims had previous reports closed at assessment stage?
2. How many such cases have been identified in the last seven years?
3. Does the AERT see previous closed reports when assessing a new report about the same firm or individual?
4. Does the AERT have access to LeO complaints, Companies House data, Compensation Fund intelligence, and prior intervention risk data when making assessment decisions?
5. Why does the SRA not publish closure reason codes or assessment-stage data broken down by allegation type?

6. Why is there no independent review route for complainants whose reports are closed without investigation?

7. Will the SRA support an independent external audit of assessment-stage closure decisions?

If the SRA can answer these questions satisfactorily, the concerns raised in this briefing may be overstated. If it cannot, or will not, the case for independent audit is made.

9. What Must Now Happen

Blind Justice UK calls for three things.

Recommendation 1: Retrospective Audit

The LSB should require the SRA to conduct and publish an independent retrospective audit of assessment-stage closure decisions involving firms later subject to intervention, revocation, SDT referral, Compensation Fund claims, or LSB enforcement action. The question is simple: how many scandals were already visible in files the SRA closed?

Recommendation 2: Publish Closure Data

The SRA should publish annual AERT closure data disaggregated by allegation type, firm type, repeat respondent, risk category, geographical area, and later outcome. The public, the profession, and Parliament cannot hold the regulator to account if the most consequential stage of the regulatory process produces only a single aggregate number.

Recommendation 3: Independent Review Route

The SRA should introduce a formal complainant review mechanism with independent external oversight, comparable to the FCA Complaints Commissioner model. Complainants whose reports are closed without investigation should have the same access to independent scrutiny that respondent solicitors have when regulatory action is taken against them.

Sources and Evidence Base

SRA Investigations and Enforcement Annual Data 2023/24 (sra.org.uk). SRA Data Sharing API, Organisation Search endpoint (sra-prod-apim.azure-api.net), data pulled 17 May 2026. SRA Register: SSB Group Limited (SRA 654321), SSB Solicitors Limited (SRA 638890), Axiom Advice & Counsel Limited (SRA 8001624), Ince Gordon Dadds LLP (SRA 596729), PM Law Limited (SRA 421374), PM Property Lawyers Limited (SRA 631945), PM Law (Specialist Claims) Limited (SRA 631962). LSB published enforcement notices: section 32 Directions (Axiom Ince), section 31 Performance Target (SSB), section 55 information-gathering (PM Law). SRA Regulatory and Disciplinary Procedure Rules, Rule 1.1. Legal

Services Act 2007, sections 1, 28, 31, 32, 55. SRA Standards and Regulations 2019. Blind Justice UK formal written evidence to the Justice Select Committee (published). Blind Justice UK stakeholder evidence to the Legal Services Board (acknowledged 8 May 2026).

The full evidence appendix, including methodology, claim-evidence matrix, seven-year AERT data, scandal ledger, and case chronologies, is published as a companion document. An open letter to the Chief Executive of the SRA requesting responses to the questions at section 8 has been sent simultaneously to the SRA, the Legal Services Board, and the Justice Select Committee.

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