

Compli | February update

As 2026 gathers pace (where have the first six weeks gone?), regulatory developments across the profession continue to evolve at speed. From shifts in supervisory expectations to high-profile disciplinary decisions and significant consultations, the past few weeks have delivered important updates shaping risk, compliance, and practice management across the sector.

In this month's Compli update, we bring you the latest regulatory insights, key insights and a roundup of some of the recent disciplinary decisions to help you stay informed and prepared.

Consultations

As mentioned last month, the SRA published its consultation on client money in legal services, which includes consideration of enhanced protections and the potential reintroduction of universal accountants' reports, with the closing date for responses set at 20 February 2026. The consultation is a follow up on the 2024 consultation which had also raised proposals regarding firms' ability to hold client money, which the SRA have put on hold. However, no sooner had the profession breathed a sigh of relief regarding that delay (albeit only temporary), the Ministry of Justice has launched a consultation on a proposed scheme, 'Interest on Lawyers' Client Account Scheme' (ILCA), to raise funds by requiring payment of the interest earned on client money to be paid to the government (up to 75% on interest on pooled client accounts, and 50% of interest on individual client accounts). There has been much debate and discussion, and it is anticipated that there will be considerable opposition to the proposals. The consultation ends on 9 March 2026.

Claims management

On 16 January 2026, the SRA published an updated statement on motor finance commission claims, highlighting expectations post the Supreme Court judgment of 1 August 2025, including firms familiarising themselves with the details of the judgment, considering its impact on existing and prospective clients, and informing clients of the 'realistic prospect of an FCA-led redress scheme being introduced'. For prospective clients, this must be done before any agreement is signed and applies even where a redress scheme is not yet in place.

The government has called for evidence on housing disrepair claims and references last summer's report on the SRA thematic review on high-volume consumer claims and discussion paper that closed November 2025, which reported investigations against 76

firms and the closure of 5 firms in the sector, and it is anticipated that changes will be introduced.

Mazur

The SRA updated its guidance arising from the Mazur litigation which was released on 18 December 2025, clarifying expectations around supervision of litigation and case oversight, and confirming that those conducting a reserved activity without authorisation who have not 'addressed the implications of the judgment and our guidance', can expect the SRA to use 'appropriate investigative and enforcement powers to identify and address this misconduct'. The CILEX appeal against the judgment will be heard on 24 February 2026 and has been listed for two and a half days.

Disciplinary and regulatory decisions

A number of decisions and judgments have been reported since our last update, including:

High Court overturns solicitor misconduct finding and castigates SDT and SRA

In a decision that has received much attention, both for the decision and the Judge's comments, the High Court has overturned a SDT finding of misconduct against a solicitor involved in pre-action correspondence which had been found to be an improper attempt to restrict the right of a tax lawyer and journalist to publish or publicly discuss the contents, and withdraw claims about the client's tax affairs. The SDT had fined the solicitor £50,000 and ordered him to pay £260,000 costs.

The SRA has said it is considering the judgment before deciding on next steps. Unusually, the SDT made a statement that it 'welcomed the judge's observations and would 'carefully review the court's findings to ensure that future decisions are articulated with the maximum possible clarity for the profession and the public.'

Solicitor struck off for attempting to involve junior in dishonest conduct

A solicitor has been struck off by the SDT after admitting she knowingly misled an unrepresented opposing party in a family law matter and sought to involve a junior colleague in the deception. The colleague reported the matter to a partner. In mitigation, not agreed by the SRA, she said these were two lapses in her 15-year career which were not reflective of her overall character. The tribunal said the misconduct was not a 'one-off moment of madness' and found her conduct dishonest and deliberate.

Struck off for failing to verify ID in person

A solicitor who certified copies of a client's passport and driving licence without seeing the originals has been struck off, the SDT rejecting the argument that he was entitled to do so as they were high quality images and the originality lay in the information in the document, not the physical object itself, and he had represented the client for a number of years.

Struck off for certifying documents without seeing originals

A solicitor who operated an online document-checking service has been struck off after certifying documents without reviewing the original paperwork. The tribunal found that uploading copies to a website and checking its veracity using AI did not satisfy the requirement to inspect original documents in person. He was ordered to pay almost £36,000 costs.

Paralegal barred over misleading conveyancing emails

A paralegal has been barred from working for any law firm without SRA permission and ordered to pay £4,500 costs, after sending two misleading emails about the progress of conveyancing transactions, with the tribunal finding she knowingly misrepresented factual matters. She claimed that she had acted in accordance with her supervising solicitor's instructions. The solicitor denied any misconduct and said she had not authorised the emails, which was accepted by the SDT.

Solicitor suspended for amending handover note

A solicitor who admitted dishonesty, having deleted a paragraph in a handover document as he had failed to follow the instructions in it and then sent a misleading email two days later, has been suspended for two years, followed by two years of strict practicing conditions, including only acting as a solicitor as an employee and only in employment approved by the SRA. The support of his firm was also taken into account.

Struck off for recording 28 hours per day

A solicitor who recorded an average of 28 hours a day over 12 months to maximise her bonus, which led to her firm having to repay the Legal Aid Agency, has been struck off. The SRA sought costs of almost £50,000, but due to her means, costs of £5000 were ordered.

How Compli can help...

The Compli solicitor regulatory and professional discipline team can provide expertise and advice on risk and compliance, AML, disciplinary assistance etc. If we can help in any way, please get in touch at compli@weightmans.com

Key contact



Andrea Cohen
Legal Director

[Email Andrea](mailto:andrea.cohen@weightmans.com)

Keep in touch

Follow us on social media to receive our latest updates direct to your feed.



[Update your preferences](#)

[Unsubscribe](#)

Weightmans LLP is a limited liability partnership registered in England & Wales with registered number OC326117 and its registered office at 100 Old Hall Street, Liverpool, L3 9QJ. Weightmans (Scotland) LLP is a limited liability partnership registered in Scotland with registered number SO304314 and its registered office at The Ink Building, 24 Douglas Street Glasgow, G2 7NQ.

A full list of members is available at the registered offices. The term 'partner', if used, denotes a member or senior employee of Weightmans LLP or Weightmans (Scotland) LLP with equivalent standing and qualifications. Weightmans LLP is authorised and regulated by the Solicitors Regulation Authority and Weightmans (Scotland) LLP is recognised and regulated by the Law Society of Scotland.

This update does not attempt to provide a full analysis of those matters with which it deals and is provided for general information purposes only as at the date of first publication. This update is not intended to constitute legal advice and should not be treated as a substitute for legal advice. Weightmans accepts no responsibility for any loss, which may arise from reliance on the information in this update. The copyright in this update is owned by Weightmans © 2026

[Privacy notice](#)