

SRA Compensation Fund Purpose Statement

The SRA Compensation Fund protects consumers of legal services by helping those who have lost money due to fundamental ethical failures by those we regulate. This can be, for example, where the loss was caused by dishonesty or lack of integrity of a solicitor. The fund therefore helps to uphold trust in the integrity of the legal profession.

The fund will consider making payments where:

- The claim is from the person who received the legal services or from a third party who relied on the solicitor or firm to do something and have lost money as a result of the acts or omissions of the solicitor or firm
- The solicitor or firm has stolen or otherwise failed to account for their money
- The claim should have been covered by the firm's mandatory indemnity insurance, but the firm failed to take out the required policy.

The fund is financed by contributions from those we regulate. It is a discretionary fund of last resort. This means that no person has a legal right to a payment, and if a payment is made then this will make a contribution to, but not necessarily replace, all funds lost.

We impose caps and limits on the amounts that we will pay in certain circumstances and we publish information to explain this.

We limit the types of loss that can be claimed. For example, the loss must arise directly from the acts or omissions of a firm we regulate – or a solicitor working on their own and engaging with a client directly. The work done must form part of the usual professional services that we expect of a solicitor.

We expect applicants to show that they have taken appropriate steps to recover their money by exhausting other avenues of redress and have not acted in a way that has contributed to their loss.

When considering whether to make a payment, we aim to be fair, consistent, and transparent in how we prioritise applications.

We will make decisions according to detailed criteria set out in our rules and publish guidance so the public can understand how they are protected by the fund and when they might be eligible to receive a payment.

We will help people apply for a payment by providing a straightforward application process and offer targeted support as we process their application.