

## **Legal Services Act: New forms of practice and regulation**

### **SRA Consultation Paper 10 – Compensation fund**

#### **Legal Services Commission response**

1. *Do you agree that an individual whose dealings with a defaulting practitioner have been in a personal capacity and who has or is likely to suffer loss due to failure to account should be deemed to have suffered hardship? (Rule 3.)*

**We agree that this is important protection for clients.**

2. *Do you agree that the maximum grant should be increased from £1 million to £2 million, subject to the power to waive the limit? (Rules 16 and 22)*

**We agree.**

3. *Do you agree that the time limit for submitting an application should be increased from 6 months to 12 months? (Rule 10)*

**We agree.**

4. *Do you consider that grants in respect to rectification costs should be specifically expressed in the rules? (Rule 14(3))*

**We agree.**

5. *Do you consider that the wording of Rule 12 more accurately describes the true nature of the fund rather than the phrase “fund of last resort”?*

**We agree.**

6. *Have you any other comments on the compensation fund arrangements?*

**The Commission would welcome clarity around the circumstances where it may claim on the fund in legal aid cases where it has suffered a loss. As a corporate body the Commission may have difficulty in establishing hardship, however any loss to the legal aid fund directly impacts on the funds available to other clients. Such clients would be amongst the most vulnerable in society. We feel that this is an opportunity to specifically address this issue and we would welcome the chance to discuss this in more detail.**