

Recent News noted by SIFA

Two stage application process for ABS

On 3 January, as scheduled, the SRA began receiving applications from firms seeking to be licensed as ABS and has now received more than 65 applications. SIFA is dealing with one of these and the process is in two stages. The first stage is relatively straightforward but the second is extremely complex – over 130 pages of forms to be completed in the case of the firm we are assisting. Time scales are a little vague but the first ABSs are expected at the end of February. Another interesting issue is what new enforcement arm the SRA is going to use to enforce its new Handbook and Code of Conduct in the post-ABS world. Readers may not know that the regulator has disbanded its Practice Standards Unit, which had over 50 field staff visiting firms of solicitors, and has not yet officially replaced it with a new unit.

SIFA Legal

The adoption by the SRA of FSA-style principles-based regulation has provided the opportunity for SIFA to extend its IFA compliance services to solicitors, and the requirement for management systems and controls leads into business planning and practice development, one of the main elements of which, for private client firms, is financial services. In order to convey this message to the solicitor population, SIFA has appointed PR agents and has re-badged its solicitor-facing web site as www.sifalegal.co.uk. Law firms introduced to SIFA's compliance

services by SIFA members are entitled to a 33% reduction in the £1,500 p.a. cost of SIFA's COLP & COFA support service.

COLP and COFA deadline for nomination

The SRA has been reminding solicitors that the deadline for nominating their firms' compliance officers – the COLP and COFA – is rapidly approaching on 31 March. SIFA observes from its COLP and COFA support service that there is a schism in firms' approaches to this, with some appointing very senior staff to for these key roles and others passing the buck to more "junior" members of staff. SIFA definitely favours the former approach. Meanwhile, the SRA has been emphasising that the COLP and COFA must consent to their appointments, although opinions differ as to whether they will have any real choice in some firms. An issue to which attention has been drawn in Solicitors' Journal is the solicitors who have been officers of client companies which have been wound up may not pass the SRA's suitability test.

Quality Solicitors steps up the pace

Just when we thought Quality Solicitors had gone a little quiet, it has announced the recruitment of two senior executives and a £15m advertising campaign. QS has appointed Lee Ellis, formerly at Halfords, as finance director, and Claire Smith, former partner at Pannones, as partner firm director.

The advertising campaign is using

some of the private equity finance which it received from Palamon Capital Partners in 2010. Chief Executive Craig Holt claims that the new campaign adopts a "John Lewis" style of "epic" adverts! More detail is available at:

<http://www.lawgazette.co.uk/news/qualitysolitors-recruits-run-15m-ad-campaign>

Co-op expands in anticipation of ABS Licence

The Co-op's legal arm, Co-operative Legal Services (CLS) is so confident in succeeding with its ABS licence application to the SRA that it has announced its intention to seek 150 new staff for its family division, based in Bristol and London. CLS has already expanded rapidly over the last four years and has 400 staff, it is looking for a mixture of solicitors and legal executives, see: <http://www.legalfutures.co.uk/latest-news/co-op-to-ramp-up-staffing-as-it-waits-for-abs-go-ahead>

Irwin Mitchell likely to float

Irwin Mitchell have appointed former PwC vice chairman Glyn Barker as chairman designate, as speculation increases that it will be the first UK firm to float on the Stock Exchange. The only other instances worldwide of law firms floating have been in Australia, where Slater Gordon is regarded as a big success story. Irwin Mitchell is set to be one of the first ABSs when the SRA completes its processes and was reported to be very frustrated as the delay in ABS introduction put back its ambitions.

See more at:

http://www.yorkshirepost.co.uk/business/business-news/new_chairman_as_irwin_float_speculation_increases_14148461

February 2012