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20 March 2017

Dear Paul,

### **Scope of formal investigation**

Further to my letter of 15 February 2017 I am writing to share with you the detailed scope of our investigation into the governance arrangements between The Law Society (TLS) and the Solicitors Regulation Authority (SRA).

The decision to commence an investigation was taken following representations made to us by the SRA. The scope takes account of information that was subsequently provided by the SRA and TLS.

The LSB will investigate, in respect of the matters set out below, whether TLS's oversight and monitoring of the SRA was such that representative functions impaired the independence or effectiveness of the performance of the SRA's regulatory functions, in breach of rule 8 of the LSB's internal governance rules.

The matters referred to above are the intended role and subsequent operation of:

- the Business and Oversight Board (BOB), and
- the Council, Remuneration Committee and Audit Committee, but only to the extent they exercised TLS's oversight and monitoring of the SRA's performance of regulatory functions.

We will keep the scope of the investigation under review. We reserve the right to amend it in light of new evidence.

The investigation will focus on the period from autumn 2014, when TLS and the SRA indicated to the LSB their intention to review the role of BOB, up to 15 February 2017. In so far as it is necessary properly to understand any issues that occurred during that period, we may seek evidence from the start of 2014 when the LSB ceased monitoring whether BOB was being implemented by TLS and the SRA according to an agreed timetable and in a way which ensured regulatory independence.

Please note we do not intend to consider any activity currently being undertaken by TLS and the SRA to remedy any potential areas for improvement within the current oversight and monitoring structures, or propose solutions.

The LSB will make this letter public on our website as a matter of public record on 22 March 2017.

Following publication of this letter, we will not be making any further public comment until the investigation has concluded. I would respectfully ask that TLS and the SRA assume the same position.

Members of my team will be in contact to progress the investigation. It would be helpful if TLS and the SRA could nominate a contact point to enable the investigation to progress smoothly and without undue delay.

Please can you share this letter with the independent members of the Business and Oversight Board.

I am sending a copy of this letter to Paul Philip, Chief Executive of the SRA.

Yours sincerely



**Neil Buckley**  
Chief Executive

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