

With the SRA suggesting one solicitor partner may be enough to call your practice a 'solicitor' firm, the jostling for position is already starting on Britain's high streets, says **Stuart Bushell**

## Solicitors, but not as we know them



There is a widespread assumption that the Legal Services Act will result in a reduction in the number of firms of solicitors, as traditional firms struggle to compete against alternative business structures (ABS). It is anticipated that firms will merge and consolidate, in some cases abandoning high street premises in favour of business park locations, and that the result will be fewer but larger firms. However, it is also predicted that the net demand for legal services will increase as a result of reduced charges and greater accessibility, and the likely proliferation of alternative providers raises important questions of branding.

As *Solicitors Journal* readers will be aware, the term 'solicitor' is defined by statute and its use is heavily circumscribed. However, the effectiveness of these restrictions may be about to be diluted. Chapter 8 of the SRA's draft 2011 Code of Conduct deals with the manner in which solicitors may publicise their practices. Two of the outcomes in that chapter are of relevance in looking at which firms may call themselves solicitors. O(8.4) states that clients and the public must have appropriate information about "... you, your firm and how you are regulated". More particularly, O(8.1) informs us that any publicity relating to the firm must be "accurate and not misleading, and (is) not likely to diminish the trust the public places in you and in the provision of legal services".

The archetypal reasonable man might reasonably assume that this would permit a new SRA-regulated ABS to call itself 'solicitors' if it was 51 per cent plus owned by solicitors. However, a glance at the indicative behaviours for this chapter of the code suggests that the SRA is taking a rather more liberal position in its interpretation of the issue. IB(8.10) indicates

that the required outcomes will not have been achieved if firms use "a name or description of your firm... that includes the word solicitor(s) if none of the managers are solicitors". A little convoluted, but what the SRA is saying is that any firm with at least one solicitor can call itself 'solicitors'. It is worth remembering that the indicative behaviours are not mandatory and the overall position is that the publicity cannot be misleading and inaccurate, but this is clearly the SRA's starting point.

### Golden opportunity

This presents a considerable opportunity for those non-lawyers who want to start ABSs. By employing one or two solicitors they gain access to the whole gamut of reserved activities and can market themselves 'solicitors' to boot, despite the fact that all of the other 100 staff are not solicitors and may have no legal background. The Act may therefore have the overall effect of diminishing integrity of the 'solicitor' brand.

On the other hand, it may also provide an opportunity for ABSs which do not include any solicitors and which prefer to capitalise on the resonance among a TV-influenced public of the transatlantic term 'lawyer'. Regulators will doubtless be keen to protect and promote their members' market positioning, and it seems more than likely that ILEX will be seeking an alternative tag to the distinctly unappealing 'legal executives' for the benefit of those of its members who do not wish to take on a token solicitor. If 'lawyers' were on the cards the Law Society might have views.

Although multi-disciplinary practices are unlikely to be a major feature of the post-ABS scene, there will of course be dual-branded firms, such as the solicitors and estate agents which form the bulk of

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the legal community north of the border. To the extent that solicitors flag up in this way the fact that they offer a service beyond the one-off transaction which most consumers assume to be the only string to their bow, solicitors may take a useful step down the road towards a relationship-based business model.

There is growing acceptance that clients are seeking trusted advisers in preference to the silo-based approach to the provision of professional services which characterised the pre-Legal Services Act era. 'Solicitors and accountants' might be a likely combination except for the fact that accountants seem not to share solicitors' enthusiasm for such an alliance. However, 'solicitors and financial advisers' is gaining some traction. The managing partner of one London firm, realising the advantage which financial advisers have over solicitors in terms of the management of client data and the maintenance of on-going client relationships, suggested that the optimum MDP combination might be solicitors, financial advisers, funeral directors and florists.

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