# Legal sector faces challenges and transformation in 2024



In what can be described as an intensely challenging year, the legal sector has grappled with issues ranging from regulatory compliance to cybersecurity threats, all intensified by the evolving landscape of artificial intelligence (AI) technology. As 2024 unfolded, firms were called to exhibit resilience and adaptability, particularly in their efforts to comply with stringent regulations around anti-money laundering (AML) and consumer protection.

The British Conveyancing Awards in January brought some early recognition to the firm Legal Eye, which was shortlisted for the title of ‘Risk and Compliance Support Service of the Year’. This nomination underscored Legal Eye's commitment to assisting Compliance Officers for Legal Practice (COLPs) and Heads of Legal Practice (HOLPs) in navigating the complexities of risk management.

In February, the Solicitors Regulation Authority (SRA) launched a consumer protection review aimed at safeguarding clients who engage with regulated law firms. This initiative was twofold, focussing on minimising the risks of malpractice and reviewing compensation fund frameworks. The insights gathered from this consultation will be analysed and published early in 2025.

Throughout 2024, Legal Eye demonstrated its active participation within the legal community, notably by sponsoring and contributing to the 2024 Conveyancing Association Conference. During this pivotal gathering, managing director Paul Saunders took part in a panel discussing critical issues such as source of funds and digital signatures, tying these discussions to ongoing challenges in AML compliance and digital onboarding.

As the year progressed, the legal sector confronted a rising tide of cybercrime. The persistent threats associated with cyberintrusions were particularly alarming against the backdrop of geopolitical tensions, notably the conflict in Ukraine. Legal Eye promptly addressed these risks, urging firms to bolster their cybersecurity measures in an environment where threats continually evolve.

The introduction of a new module in the Legal Eye Academy aimed at clarifying UK GDPR obligations further emphasised the firm’s proactive approach. Topics encompassed included definitions of personal data, lawful processing, rights concerning special category data, and responsibilities following data breaches.

March saw the firm guiding institutions through the amendments brought by the Economic Crime (Transparency and Enforcement) Act of August 2022. These changes were framed within the larger context of efforts to mitigate money laundering through UK businesses. Furthermore, the firm celebrated its recognition as ‘Risk and Compliance Support Service of the Year’ at the British Conveyancing Awards, reinforcing its role as a leader in compliance support.

In addition to its focus on compliance, Legal Eye was active in enhancing the educational landscape of law firms through webinars. A partnership with InfoTrack culminated in discussions centring on risk assessments, which equipped legal professionals with the tools needed for effective client risk evaluations.

As the year unfolded, the implications of AI began to permeate the legal sector. In July, Legal Eye examined how the integration of AI technology reshapes operational patterns and decision-making processes within law firms. This advancement brought along a spectrum of regulatory challenges, particularly surrounding compliance.

August bore witness to a significant initiative by the SRA aimed at assessing the AML practices of law firms. The outcomes of this extensive data collection exercise are anticipated to impact the regulatory framework, compelling tighter compliance standards moving forward.

The SRA continued to refine its approach to AML compliance into the final quarter of the year. Insights garnered from ongoing inspectorate activities highlighted compliance gaps within the sector's approach to handling client money and AML training effectiveness.

December marked a reflective period for many in the industry as they prepared for the upcoming year. The SRA's 2024/25 business plan sought to address emerging risks and promote better consumer protection practices.

Ultimately, 2024 stood as a year of multifaceted challenges for the legal sector, yet also one filled with the potential for transformation and improvement. As firms move into 2025, the focus will remain firmly on compliance, risk management, and leveraging technology—most notably AI—to enhance operational efficacy across the board. The ongoing collaboration among industry partners such as Legal Eye is expected to play a pivotal role in navigating this changing landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Corroborates the nomination and award of Legal Eye for 'Risk and Compliance Support Service of the Year' at the British Conveyancing Awards, and details the SRA consumer protection review and other compliance initiatives.
2. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Supports the information about the SRA's consumer protection review, the Economic Crime (Transparency and Enforcement) Act, and Legal Eye's involvement in the Conveyancing Association Conference.
3. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Details Legal Eye's webinar in partnership with InfoTrack on risk assessments and their guidance on new rules to combat money laundering.
4. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Provides information on the SRA's updates on SLAPP, client account interest, and compensation fund contributions, as well as the LEQS accreditation for Collaborative Conveyancing.
5. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Corroborates the SRA's AML and Financial Crime conference and the emphasis on effective AML training practices.
6. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Supports the SRA's compliance officers conference and the ongoing focus on AML compliance and handling client money.
7. <https://www.conveyancingassociation.org.uk/review-of-2024-key-highlights-for-legal-professionals/> - Details the SRA's 2024/25 business plan and its focus on emerging risks and consumer protection practices.
8. <https://britishconveyancingawards.co.uk/winners-2024/> - Confirms Legal Eye's nomination and win for 'Risk and Compliance Support Service of the Year' at the British Conveyancing Awards.
9. <https://legal.thomsonreuters.com/blog/the-new-world-is-here-for-the-legal-industry/> - Provides context on the evolving legal market, including the impact of AI and changes in client-law firm dynamics.
10. <https://www.axiomlaw.com/blog/2024-legal-industry-challenges-opportunities> - Supports the challenges faced by law firms, such as rising costs and the need for adaptability, as highlighted in the Thomson Reuters 2024 Report on the State of the US Legal Market.
11. <https://news.google.com/rss/articles/CBMi_gFBVV95cUxNZzBUZlRFdlprWktiNS1Ibm5Sd3NnZlhmRW9FTGRsNDZaOEYwUE1qU1YyZlBBTXkzTzJtU3UtNWdqVEVnanlBcXFEUlFYMlRjdjhYdnhYbld6Rm5UOS1tVmJkSzhSS0N1ejM2Mmd6M0FDN3JWcGE2Rm1LNDJWR3gzbW5zeWNhcmVRQTBXSnY1RnR1cmxiNTZrZGRBSDFzYmhDbmpJbU9ycXBBcFgzVENuSjVKc01tdTItYnFudzNRQ3NFVjBSQkNhenp2bDBYZjk2VURFaVcyaGFQMnR1TVJfTzBMSkNLSXBIeWJ4UEVYNU5FeFBxNTl4OGFOcU16Zw?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data