



Solicitors' Risk Landscape 2026: Common Errors, Outlook and How to Stay Ahead

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Contents

| | |
|---|----|
| Introduction | 3 |
| Past claim trends and risk mitigation | 4 |
| Claims by practice area | 4 |
| Claims by loss code..... | 5 |
| Key mitigation actions | 6 |
| Failure to advise | 6 |
| Failure to follow instructions..... | 6 |
| Drafting errors | 7 |
| Delay and/or missed deadlines | 7 |
| Filing, service and registration failures | 7 |
| Breach of confidentiality failures | 8 |
| Statutory/regulatory breaches | 8 |
| Risk landscape..... | 9 |
| Present risk landscape | 9 |
| Future risk landscape..... | 10 |
| Conclusion..... | 11 |

Introduction

This guidance outlines practical steps for firms to mitigate common errors and anticipate emerging risks in 2026 and beyond. While all firms face professional indemnity exposure, claim types vary by practice area and client profile.

We have analysed QBE claims data for law firms for the underwriting years of 2019-2025. The data shows that common mistakes such as failure to advise, drafting errors, and missed deadlines continue to dominate across all firm types. However, the underlying drivers of claims are shifting, driven by social activism, litigation funders, public inquiries, and heightened regulatory scrutiny. We explore the top five causes of claim across all firm types in our section on past claims trends and risk mitigation.

Non-traditional claimants now pose a significant risk, as pressure groups and regulators increasingly target law firms for perceived ethical lapses. High-profile cases, including Strategic Lawsuits Against Public Participation (SLAPPs) related investigations and crypto-fraud scandals, demonstrate the reputational and financial risks at stake. Meanwhile, technology introduces vulnerabilities: hybrid working and AI adoption creates supervision gaps, cybersecurity risks, and potential liability from inaccurate outputs.

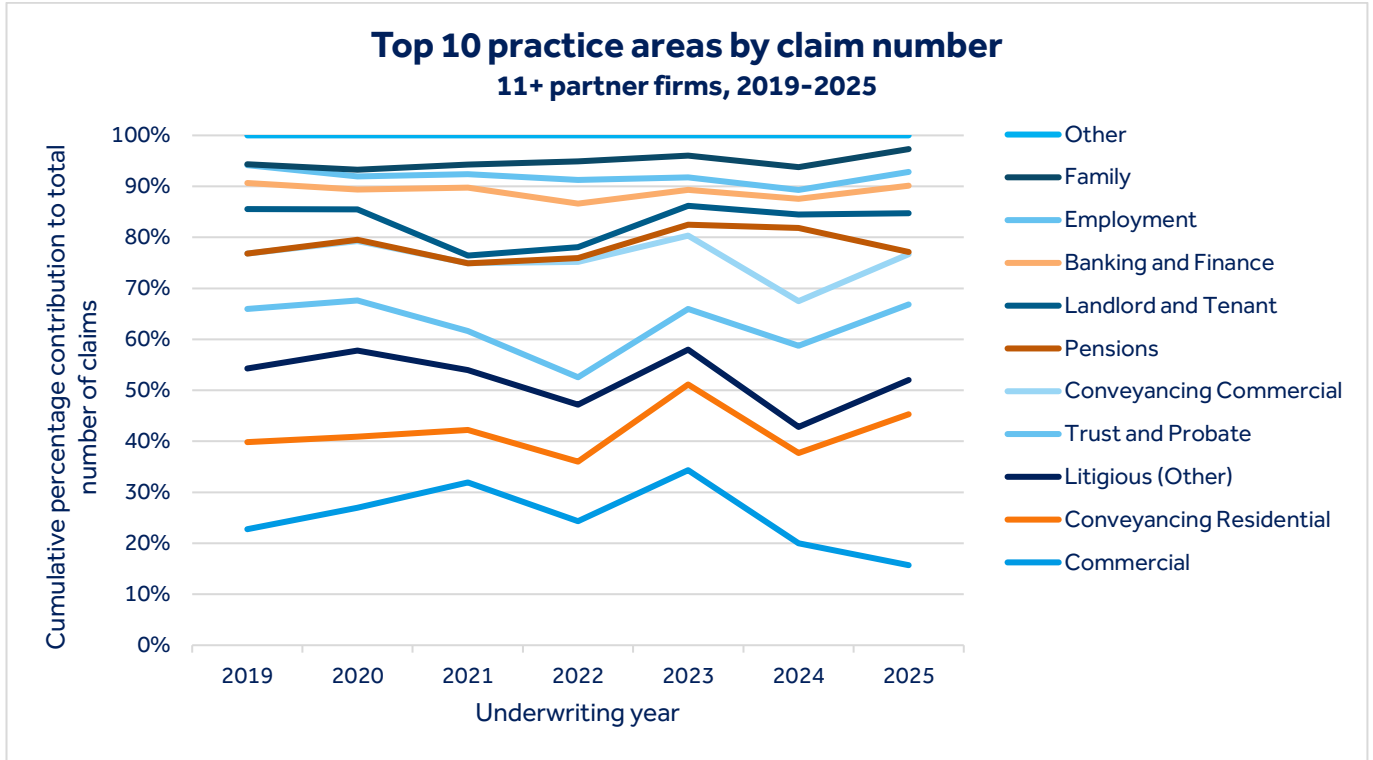
In this guidance, we consider risks and mitigation approaches across three timelines:

- > **Past:** Established claims trends and risk mitigation.
- > **Present:** Emerging issues where data remains limited but early indicators suggest evolving exposure.
- > **Future:** Anticipated developments over the coming years and their likely impact on firms' risk profiles.

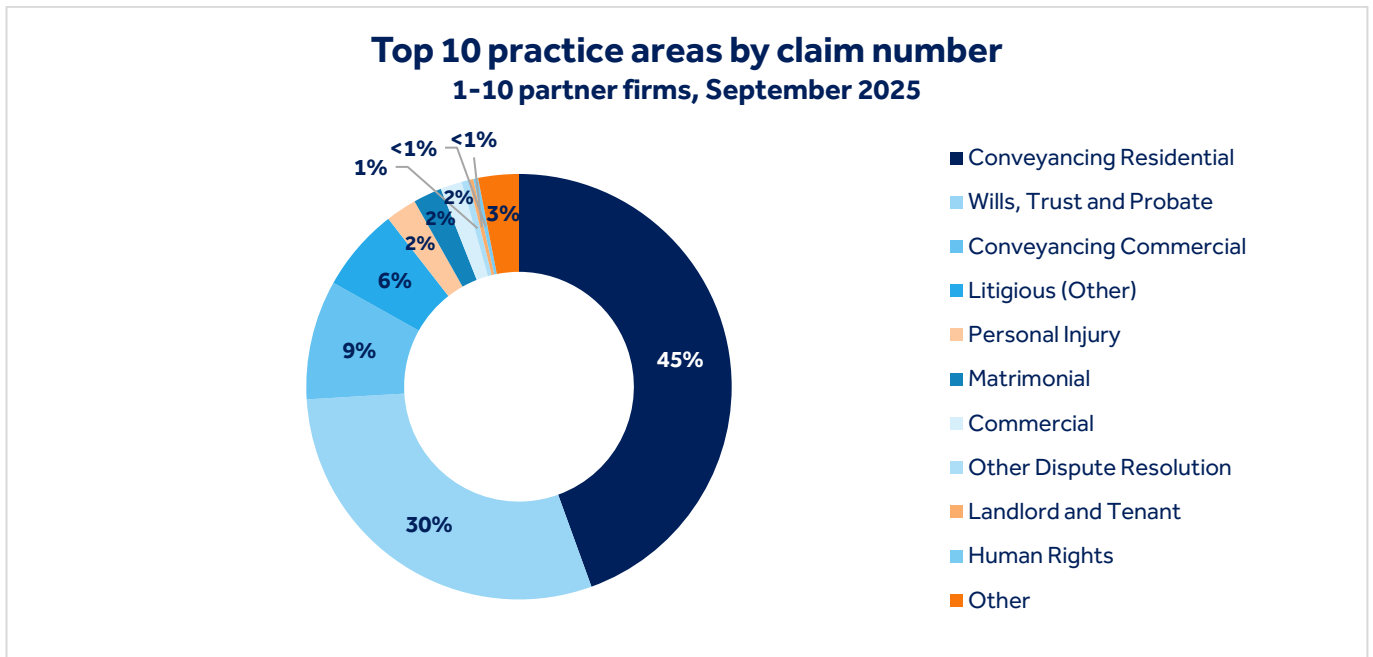
Where possible, we provide risk management tools including templates, risk questionnaires for self-assessment, and topic-specific guidance notes to assist further with the understanding and implementation of mitigating actions. A QBE resource is indicated by an orange footnote number. All resources can be found at the end of the article next to their corresponding footnote number and are available on the QBE Document Library or QRisk (login required).

Past claim trends and risk mitigation

Claims by practice area



The stacked line chart **above** shows the percentage of claims by the 10 practice areas with the largest number of claims between the years of 2019–2025 in firms with 11+ partners. Each line represents a cumulative total (adding up to 100% each year), with the space between the lines representing the percentage contribution of that practice area to the total claims in each underwriting year. The legend order corresponds to the line order. The “Other” category comprises all practice areas that did not make the top 10. This includes (amongst others): personal injury, matrimonial, criminal law and debt collection.

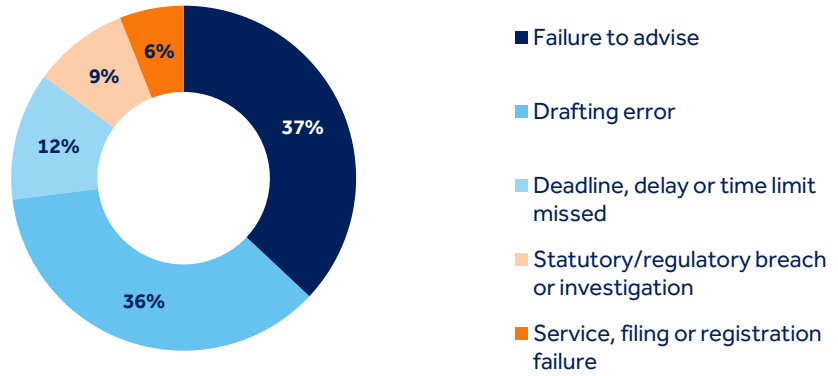


The pie chart **above** shows the percentage of claims by the 10 practice areas with the largest number of claims in firms with 1-10 partners. This is for the year from September 2024–September 2025 only. The legend order follows the pie chart clockwise. The “Other” category comprises all practice areas that did not make the top 10. This includes (amongst others): criminal law and tax law.

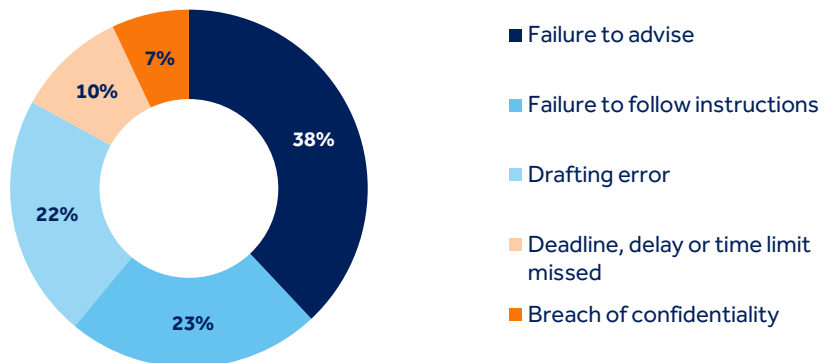
Claims by loss code

The three pie charts **below** illustrate the top five causes of claim recorded across the underwriting years of 2019 – 2025. We have split these into three different law firm groupings for comparison. The groupings are: (i) top 100 firms; (ii) firms with 11+ partners; and (iii) firms with 1-10 partners. In this article we explore these causes in more detail.

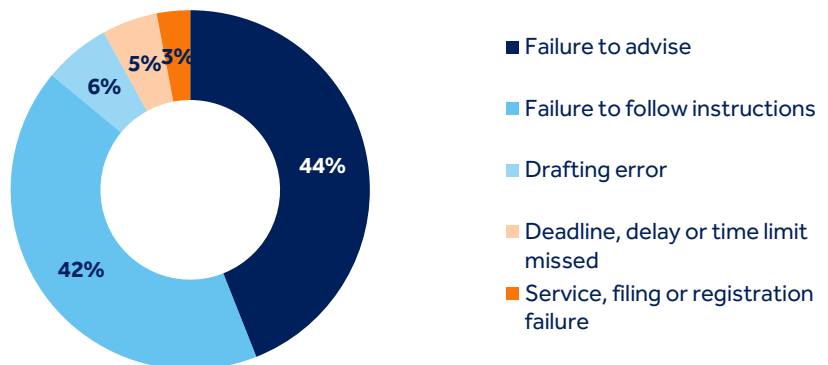
Top five errors: top 100 firms



Top five errors: 11+ partners



Top five errors: 1-10 partners



Key mitigation actions

Below we discuss in more detail, the top causes of claims that were noted in the previous set of pie charts. The following mitigation actions have been explored previously in our Solicitors' Claims Review 2022¹ and the Solicitors Claims Prevention Self-Audit Checklist.²

Failure to advise

Claims alleging failure to advise often arise from inadequate scoping, poor communication during a transaction, or gaps in responsibility when multiple teams or external parties are involved. Advice or records can easily be overlooked in these situations.

Providing informal assistance on matters outside the agreed scope - even as a goodwill gesture - can also create exposure. Regardless of intent or whether fees were charged, clients may hold you accountable if issues arise.

Clients frequently lack understanding of legal processes and associated risks that may seem obvious to lawyers. While commercial clients are generally more informed, many still claim ignorance when issues arise or strategy changes, leaving solicitors vulnerable when advice is not clearly documented.

Actions to avoid these errors

- > Use detailed scoping checklists and engagement letters to define scope and exclusions. Confirm any changes in writing.³
- > Communicate clearly and regularly, using jargon-free language, and provide written summaries of key advice and risks.
- > Maintain a comprehensive file of communications and record any verbal advice in follow-up notes or emails.
- > Assign clear responsibilities for each part of the transaction with one person having overall accountability to ensure nothing falls through the cracks.
- > Complete a final review against the original Heads of Terms or instructions at the end of the matter.

Failure to follow instructions

These allegations typically arise from either miscommunication or oversight. Such claims are inherently difficult to disprove, particularly when multiple parties are involved. A well-documented and comprehensive file remains the most effective safeguard, as the absence of records may cast doubt on the accuracy of your account. Nevertheless, it is often prudent to seek an amicable resolution - especially with valued clients - rather than allow the matter to escalate into formal proceedings, irrespective of fault.

Actions to avoid these errors

- > Confirm all verbal instructions in writing, including options discussed and choices made, especially when contrary to the advice given.
- > Maintain clear communication with a single point of contact at the client and provide them with timely updates. Regular contact is important even when nothing is happening – to explain why.
- > Ensure robust supervision throughout the matter and implement inactive-file reporting to identify matters that are not progressing as they should.
- > Ensure effective handovers with key deadlines or actions noted and complete a final review before closing the matter.

Drafting errors

Drafting mistakes often happen when outdated templates are used, documents are copied from previous use, work is done outside the lawyer's expertise, or client instructions are not fully incorporated. They can also result from simple numerical or wording errors or drafting that does not deliver the intended outcome.

Actions to avoid these errors

- > Use current templates and restrict access to outdated documents.
- > Confirm client instructions in writing and highlight document amends to your client contact.
- > Avoid blind copy-paste of clauses or AI-generated drafting.
- > Before document finalisation, double check key details including both numerical and written versions of dates, review documents clause by clause, and ensure defined terms have been used consistently.
- > Strengthen quality control through proofreading tools, peer review, staying within expertise, and applying independent checks on high-risk matters.

Delay and/or missed deadlines

Allegations of delay and/or missed deadlines can be either perceived or actual errors. Perceived delays and/or missed deadlines are most effectively mitigated through effective communication, precise drafting of engagement letters and clear understanding of the process. Actual delays and/or missed deadlines typically result from process inefficiencies, though limitations in capacity, capability, or planning issues and inexperience may be a feature in these claims. A 'last-minute' culture can develop in pockets so supervisors should role model and encourage best practice in that regard.

Actions to avoid these errors

- > Use central diary systems with reminders and supervisory checks. Prioritise time sensitive tasks.
- > Monitor inactive files and workload reports and schedule regular file reviews.
- > Use clear, regular, and effective communication that manages expectations, provides timelines, and explains key milestones. Delays should be communicated 'early and clearly'.
- > Anticipate potential delays especially around public and popular holiday times, plan for holiday cover and create contingency plans.

Filing, service and registration failures

Filing, serving, and registration failures are still a common problem for solicitors. Examples of this can include missed Court deadlines, limitation periods, or failure to register. Firms need a clear process - especially for Court deadlines and registering deeds and charges.

Actions to avoid these errors

- > Use reminders and checklists to track deadlines and assign clear responsibility.
- > Begin registrations immediately, submit early to allow time for re-submission, monitor progress regularly and keep backup documents ready for quick re-submission.
- > Train staff on common rejection reasons.
- > Finalise each matter with a file-closure form to ensure all registration and documentation steps are complete.⁴

Breach of confidentiality failures

Client confidentiality remains a critical risk area for firms. Breaches can occur when solicitors disclose information to third parties without consent. Common examples include misdirected correspondence, unattended documents, cyber incidents, and conversations in public spaces - all of which have attracted attention.

Hybrid working and increased use of technology, including AI, introduces additional risks such as inadequate supervision, security vulnerabilities, and errors in AI-generated outputs. Stress, fatigue, and distraction can also contribute to these lapses.

Actions to avoid these errors

- > Keep files secure and avoid public discussions; use confidentiality screens, headsets, and private spaces when working away from the office.
- > Store documents safely using locked storage and encrypted drives.
- > Double-check contact details and use secure portals for sensitive communications.
- > Enable MFA, keep software updated, and avoid public Wi-Fi unless using a secure VPN.⁵
- > Ensure remote setups meet firm security standards.
- > Verify all AI outputs before relying on them.
- > Monitor capacity ahead to manage workload and take breaks to reduce fatigue.
- > Run firm-wide confidentiality and cyber-resilience training.

Statutory/regulatory breaches

Regulatory scrutiny of law firms has intensified, particularly regarding ethical conduct. Firms should note that complaints may come from third parties as well as regulators such as the Information Commissioner's Office (ICO), Solicitors Regulation Authority (SRA), Financial Conduct Authority (FCA), and Competition and Markets Authority (CMA) - not purely clients. High-profile cases such as the Post Office inquiry and the Solicitors Disciplinary Tribunal's (SDT) investigation into a \$4bn One Coin crypto fraud underscore the reputational and regulatory risks of misconduct. These developments have renewed debate over litigation ethics and contributed to an increased focus on ethics more generally.

Efforts to curb SLAPPs - lawsuits intended to silence free speech - remain under close regulatory watch. Recent SDT rulings, including ***SRA v Ashley Hurst (16.05.25)***, addressed misuse of "without prejudice" correspondence but found no SLAPP violation.

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced a new "failure to prevent fraud" offence on 01 September 2025. There are also enhanced SRA powers to proactively request information for monitoring compliance with economic crime regulations. The SRA has authority to set its own financial penalty limits for economic crime disciplinary matters, including Anti-Money Laundering (AML) breaches. In the short-medium term, AML supervision will transition to the FCA as the single professional services supervisor, signalling a significant regulatory shift. This is discussed further below in the future risk landscape.

Actions to avoid these errors

- > Review policies on ethics, AML, conflicts, and client confidentiality.⁶
- > Apply enhanced due diligence for high-risk clients and stay updated on FCA requirements as AML supervision transitions from the SRA.
- > Have clear appetite statements for client types and groups with approval protocols for 'amber management' in borderline cases.
- > Monitor emerging regulatory issues, share insights internally, and report any potential breaches promptly.
- > Manage workloads proactively and support colleague wellbeing.
- > Ensure completion of mandatory compliance training.
- > Maintain clear, comprehensive records and accessible audit trails to strengthen accountability and decision-making.
- > Foster a strong culture of compliance, open communication, a 'no-blame' culture, and ethical decision-making across the firm.

Risk landscape

Law firms need to continue to manage the risk of traditional professional negligence errors, while also navigating an increasingly complex risk landscape defined by rapid technological shifts, regulatory change and a volatile economic environment. The current and future risks outlined below should be on firms' risk agendas for 2026 and beyond.

Present risk landscape

In the current environment, several regulatory, technological and operational risks are shaping firms' exposure. Key risks to monitor are as follows:

- > **Working practices and culture:** Staff attraction and retention still proves a challenge for many firms along with maintaining productivity in a hybrid working environment. A focus on healthy working practices, supportive supervision, and work-life balance can all contribute to a less stressful working environment which can both reduce errors and deliver strategic advantage. A proactive supervision regime is essential to ensure regular check-ins, whilst the use of data and other management information can be used effectively alongside a positive culture to reduce error risk by preventing excessive caseloads, encouraging early escalation of capacity concerns and problem cases. Investment in wellbeing programs such as mental-health support services e.g. employee assistance programs, workload-management, resilience training, peer-support networks, and physical-wellbeing initiatives can all contribute to a culture where staff can thrive, be productive, and want to stay.
- > **SRA focus on ethics and conduct:** The SRA expects firms to embed ethical conduct into their organisational culture, not merely within compliance documentation. Current areas of focus include NDAs, SLAPPs, in-house legal teams, conflicts of interest, sexual misconduct, and immigration matters.⁷ Firms should reinforce ethical decision-making through clear policies, regular training, and strong supervisory frameworks. Governance structures need to ensure consistent escalation of ethical issues, supported by documented procedures and accessible guidance. The promotion of a culture where concerns can be raised openly, will be listened to, and investigated diligently is a vital role of senior leaders. Periodic audits to test policy efficacy and identify emerging risks can support this objective.

- > **AI adoption:** Use of generative AI in law firms has expanded rapidly since 2022. While AI can improve efficiency, it also carries risks. This was illustrated in *Ayinde v London Borough of Haringey [2025]*, where AI generated submissions contained fabricated authorities. That judgment and others since, have underlined the importance and responsibility of law firm leaders in ensuring the safe and ethical use of AI through clear policies, supervision, human review, and staff training.⁸
- > **Cyber Risk:** Cyber-attacks, phishing, ransomware, and vulnerabilities in hybrid and third-party systems continue to expose firms to data breaches, business interruption, and regulatory scrutiny. Firms should strengthen controls, conduct regular penetration testing, maintain cyber-awareness training, and keep incident-response plans current and readily accessible.⁹
- > **Increase in Litigant in Person (LiPs) claims:** Lawyers must balance duties to clients and the Court. Reliance on AI by self-represented parties adds complexity, as AI-generated correspondence may appear credible despite inaccuracies. It can also be excessive in content and demoralising to deal with, sometimes exacerbated by threatening or abusive behaviour by the opponent. Firms should avoid legal jargon when communicating with LiPs, remain calm and polite, signpost relevant guidance, and remind about the importance of seeking professional assistance. Managing client expectations is key, as LiPs involvement often leads to delays, extra work and additional costs. The Law Society has produced some helpful guidance on this linked below.¹⁰
- > **Mazur ruling impact:** In *Mazur & Anor v Charles Russell Speechlys LLP [2025]*, Justice Sheldon held that the Legal Services Act 2007 does not permit unauthorised individuals to conduct litigation under supervision; they may only provide support to authorised individuals. This challenges long-established practices in high-volume litigation areas and has prompted firms to revise operating models and caused great uncertainty and anxiety for many unqualified personnel. Clarity on what constitutes 'conduct of litigation' versus 'support activity' will be critical. The appeal brought by the Chartered Institute of Legal Executives is due to be heard on 24 February 2026.¹¹
- > **'Greenwashing' risks:** Scrutiny of ESG¹² statements and sustainability claims is increasing, raising the risk of regulatory action, litigation, and reputational damage where firms cannot evidence their commitments and claimed outcomes. There is also growth in claims from non-traditional actors such as activists, funders, and public inquiries. Firms need to:
 - Ensure ESG statements are evidence-based, consistent, and centrally reviewed.
 - Conduct enhanced due diligence on high-risk or ethically sensitive clients, and have in place clear escalation and approval procedures.
 - Provide regular training and audit ESG policies to ensure alignment with regulatory expectations.

Future risk landscape

Looking ahead, the future risk landscape highlights the need for early horizon-scanning and adaptive risk management. Key risks to monitor are as follows:

- > **Regulatory change:** The FCA's proposed new role in supervising anti-money laundering and counter-terrorism financing may increase compliance burdens for law firms. Uncertainty remains around sector-specific approaches, potential dual regulation with the SRA, and expanded enforcement powers. Firms should monitor developments closely and ensure AML frameworks can adapt to future requirements.
- > **Geopolitical risks:** Global tensions, sanctions, and supply chain instability continue to affect cross border transactions, client operations, and due diligence obligations. Monitoring of geopolitical changes to assess impacts on client risk profiles to maintain compliance with evolving sanctions regimes is essential. The use of 'know-your-client' technology which monitors and reports in real time is valuable in this context.
- > **Employment Rights Bill:** Upcoming reforms will increase HR and compliance demands, raise operational costs, and expand supervision and record-keeping obligations. As implementation progresses throughout 2026-27, firms will need to review governance, processes, contracts, and HR policies accordingly.

- > **Axiom Ince litigation:** Insurers of Axiom Ince are pursuing action against the SRA for alleged failures to prevent missing client monies following an independent report commissioned by the Legal Services Board. The case will test the extent of the SRA's duties as well as questions of immunity, causation, and associated defences, and is one to watch.
- > **Consumer Protection Review:** Following the Axiom Ince scandal, the SRA has recently launched a second consumer protection review that is open until 20 February 2026. Key proposals are looking at tighter controls on holding client funds, potential restriction of client accounts and improved oversight to mitigate risks of firm failure. It is our understanding that the review will focus on the risks associated with accumulator firms. This may become a significant point of focus in the coming years.
- > **COVID-19 limitation:** The six-year limitation period for COVID-19 business interruption insurance claims approaches in March 2026. Firms should review any outstanding matters to ensure proceedings are issued within the applicable timeframe.

Conclusion

In an environment where traditional errors continue to drive a large proportion of claims, it is understandable that many firms feel the strain of balancing established risk controls with growing external pressures. The years ahead are likely to bring intensified regulatory scrutiny, expanding technology-driven risks, and stricter enforcement across areas such as financial management, ethical compliance, and ESG obligations.

These pressures sit alongside broader uncertainties - geopolitical instability, changes to AML supervision, and evolving societal expectations - creating a landscape that can feel increasingly demanding. Given the essential role the UK legal sector plays in supporting the wider professional and financial services community, firms are operating under heightened scrutiny.

In this context, an ethical and supportive working culture becomes not just beneficial, but vital. Prioritising wellbeing, effective supervision and compliance support, alongside an environment where concerns can be raised safely and in the knowledge of effective investigation, will all contribute to a strong foundation for navigating change. Such focus can only help to strengthen resilience, protect your balance sheet and reputation, and give teams the confidence to meet new challenges as they arise.

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- ¹ QBE Solicitors' Claims Review 2022 [Click here](#)
- ² QBE Solicitors Claims Prevention: Self-Audit Checklist [Click here](#)
- ³ QBE Letter of Engagement [Click here](#) and QBE Terms of Business [Click here](#)
- ⁴ QBE File Summary & File Closure Form [Click here](#)
- ⁵ QBE Acceptable Usage Policy for ICT [Click here](#)
- ⁶ QBE Source of Funds Questionnaire (Company) [Click here](#) and Source of Wealth Questionnaire (Individual) [Click here](#)
- ⁷ Solicitors Regulation Authority Upholding Professional Ethics published on 16 October 2025 [Click here](#)
- ⁸ QBE Self-Assessment Tool to help you assess, benchmark, and improve your governance practices for AI [Click here](#)
- ⁹ QBE Cyber Risk Essentials [Click here](#)
- ¹⁰ The Law Society Litigants in Person: Guidelines for Lawyers [Click here](#)
- ¹¹ QBE Guidance Note on the Mazur Ruling published on 22 October 2025 [Click here](#)
- ¹² QBE Sustainability Policy and ESG Framework Guide [Click here](#)

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