



LEGAL SERVICES
BOARD

AI-DRIVEN INNOVATION

Our plans for enabling safe, AI-driven innovation
in legal services
2026-27

June 2026

AI-driven innovation:

Our plans for enabling safe, AI-driven innovation in legal services 2026-27

1. The Legal Services Board (LSB) fully recognises the enormous potential for AI-enabled innovation to deliver benefits to consumers of legal services and in contributing to the sustainable economic growth of the sector. It can drive efficiencies, reduce costs, and expand access to legal services, ultimately fostering a more dynamic and competitive market, and supporting sustainable economic growth.
2. Our plans to encourage effective adoption of AI in legal services markets in England and Wales focus on three areas where we are best placed to add value:
 - **Coordination**
 - **Clarity**
 - **Confidence**
3. We have already delivered several initiatives in collaboration with the front-line legal services regulators, including publishing [statutory guidance](#), supporting compatible regulatory processes and taking steps to develop and support the development of sandboxes. But there is more to be done. In this plan, we set out more information on our plans to enable safe AI-powered innovation in legal services, including immediate steps as well as ongoing action which take place over the coming years.
4. As the independent oversight regulator of legal services in England and Wales, the LSB works to support safe and responsible innovation across the sector, in line with our statutory duties under the Legal Services Act 2007. Proportionate and well-coordinated regulation sits alongside broader factors such as skills, investment and the ability of the market to adopt and use new technology, all of which play a critical role in enabling adoption while maintaining public confidence.

Legal services context: opportunities and challenges

5. Legal services are interwoven with everyday life. They support people to buy homes, start and grow businesses, and navigate difficult circumstances such as eviction or criminal proceedings. When legal services work well, they protect rights, support access to justice, and underpin confidence, productivity and growth across the economy.
6. As recognised in the Government's plan for small and medium sized businesses, unresolved legal disputes cost around £12 billion each year, impacting

productivity, confidence and growth and our research indicates that access to adequate legal support remains uneven: around a third of small businesses have a legal need commonly involving trading, employment, late payment or contractual disputes, yet only a quarter of those get professional advice.¹

7. New technologies, including AI, present a significant opportunity to address these challenges for consumers and small businesses but adoption across the legal services market remains uneven. Research by the [Solicitors Regulation Authority \(SRA\)](#) and [the Bar Standards Board \(BSB\)](#) shows that while some larger practices are already using AI tools, uptake among smaller firms, sole practitioners and self-employed barristers has been slower. This reflects uncertainty about risk and compliance, limited capacity and resources to trial new tools, and concerns about consumer protection and professional standards. Working with the front-line regulators, we aim to address these barriers so that consumers and businesses can benefit from AI.

Plans to unlock growth by enabling safe AI innovation

Coordination

8. We provide coordination across the legal services regulatory system, and connect the sector into wider government initiatives, so AI adoption is supported and progressed in a way that maximises the benefits to consumers and economic growth. We have:
 - **Established the Innovation and Technology Forum**, bringing together frontline regulators to share insights, hear directly from lawtech providers, and address common challenges in AI adoption.
 - Brought together officials from the Department for Business and Trade with the frontline regulators and their representative bodies to **maximise the relevance and take-up of the Made Smarter Adoption Programme for legal services providers**. This early engagement secured targeted changes to eligibility criteria, improving access for parts of the regulated community, including smaller providers.
 - Convened stakeholders at targeted regional engagement events, including a forthcoming event in Newcastle in partnership with the North East Chambers of Commerce. The event will **bring together small businesses, legal providers, entrepreneurs, lawtech specialists and parliamentarians** to focus on small business legal needs, alongside the launch of early findings from our [Small Business Legal Needs Survey](#).

¹ Over [one-third of consumers surveyed in 2023 said they had an unmet legal need](#) and [83% of SMEs surveyed in 2021 said they had an unmet legal need](#).

Clarity

9. We provide overarching regulatory certainty and clarity on AI adoption within which the front-line regulators can operate. Legal services sit within a statutory regulatory framework that predates modern AI. Unlike sectors such as healthcare, there is no dedicated product-level regulation for AI.
10. Instead, front-line legal services regulators are responsible for applying existing professional and conduct rules to new technologies, which can create uncertainty if expectations in how to apply those in the context of AI are unclear. Frontline regulators and representative bodies are best placed to provide that practical clarity to firms and legal professionals with the LSB providing coordination and clarity so safe AI adoption can be accelerated. We do this by:
 - **Issuing [statutory guidance to support regulators](#)** in promoting the use of technology and innovation to improve access to justice, while managing risks to consumers and the public interest, and providing a framework within which frontline regulatory clarity can be developed. This year we will be launching our technology and innovation survey, which will generate insights into the impact of this guidance.
 - **Supporting regulatory responsiveness**, for example we provide regulatory clarity by responding to questions raised by Lawtech firms and innovators who are developing products, either directly with businesses or startups or as part of the Lawtech Regulatory Reform Unit.
 - Working actively with DSIT and MoJ, alongside the Solicitors Regulation Authority and the Council for Licensed Conveyancers, on the **AI Growth Lab focusing on legal services**. We welcome the proposal intended to address barriers caused by regulatory uncertainty or unclear guidance and support shared learning within the current legislative framework.

Confidence

11. We build trust among consumers and small businesses, recognising that confidence is essential if the benefits of AI-enabled legal services are to be realised safely and at scale. This is increasingly important as more consumers turn directly to AI tools and chatbots to help them understand and navigate legal issues, outside of traditional regulated advice. We do this by:
 - **Strengthening the evidence base on consumer trust**, by commissioning [research on consumer expectations, concerns and confidence in AI-enabled legal services](#). This includes analysis of how reliance on AI tools may evolve over the next 10 to 15 years, and the implications for access to justice, particularly for those who currently struggle to obtain legal support.

- **Assessing the feasibility of standards for AI-powered tools** operating outside the regulated legal services framework, to support access to justice and reduce unmet legal need while managing risks to consumers. We have just completed a [landscape review of existing standards](#) and are exploring what approaches could help consumers make informed choices about the suitability and risks of AI-enabled legal services as the market develops.
- **Future proofing consumer confidence by ensuring the wider regulatory framework puts consumers and growth at its heart**, including setting out our vision in our three-year strategy which we will consult on in the Autumn. As the legal services market rapidly changes, we are taking stock of how well the current regulatory framework is working for consumers and how we can use the full range of tools available to us under the Act to protect and promote their interests. This means ensuring consumer protections keep pace with new ways of delivering legal services, including online and AI-enabled tools, and continue to support informed choice, access to justice and a well-functioning market.

Enabling delivery through government action

12. As set out above, we agree that delivering safe AI adoption at pace is a shared endeavour. Government, regulators and other partners are already taking important steps. In practice, regulators' ability to fully deliver at scale is constrained by three broad factors: limited funding ringfenced for regulators, access to specialist expertise, and the ability to coordinate across regulators from multiple sectors. We have identified some specific actions where coordinated action between government and regulators can help realise the benefits of AI adoption for consumers and support sustainable economic growth.
 - **Building regulatory capability for responsible AI adoption.** The AI Action Plan for Justice sets out a commitment to work with regulators on responsible AI adoption, including extending government AI training where appropriate. We and the frontline regulators would strongly value the opportunity to engage with this offer alongside existing capability-building efforts.
 - **Sustained, multi-year support for regulatory experimentation** - building on mechanisms such as the DSIT Regulators' Pioneer Fund (which we and other regulators have bid for), multi-year and streamlined support would allow regulators to plan and invest with greater confidence in activities such as sandboxing, standards testing and cross-regulator collaboration. Providing continuity, rather than short funding cycles, would help embed learning, support consistency, and scale approaches that demonstrably enable safe AI adoption and consumer confidence.
 - **Strengthening longitudinal evidence on consumer use of AI.** Evidence on consumer use of AI is largely sector agnostic or limited to one-off studies

within legal services, with most research focused on firm-level adoption rather than consumer behaviour. While there are indications that consumers are increasingly using AI chatbots to navigate legal issues, we are not aware of longitudinal evidence tracking how this use evolves over time or how consumers move between unregulated tools, advice services and regulated providers.

We would welcome MoJ support to explore developing longitudinal evidence on consumer journeys across unregulated and regulated legal services, including the growing use of AI chatbots. This aligns with the [Ministry of Justice's Areas of Research Interest 2025](#) on the scope and scale of the unregulated legal services market, access to justice and supporting a flourishing, world-leading legal services market.

- **A time-limited, government-convened roundtable** could help bring together regulators, consumer bodies, advice services, researchers and innovators to shape priorities, sense-check emerging evidence, and consider the policy and regulatory implications of how AI is being used in practice within legal services, ensuring that future responses are grounded in real-world consumer behaviour and outcomes.

Richard Orpin

Chief Executive Officer

Legal Services Board



LEGAL SERVICES
BOARD

legalservicesboard.org.uk

press@legalservicesboard.org.uk

linkedin.com/company/legal-services-board

2nd Floor, 2 Redman Place, London E20 1JQ
