Minister for Victims and Community Safety Ministear airson Luchd-fulaing is Sàbhailteachd Choimhearsnachd Siobhian Brown MSP/BPA



T:0300 244 4000

E: scottish.ministers@gov.scot

Sam Ghibladan Gemma.Black@consumer.scot

Our Reference: 202400411960 Your Reference: 30042024

20 May 2024

Dear Sam

Thank you for your letter of 30 April 2024 in relation to issues faced by clients of the former firm of solicitors WW & J McClure.

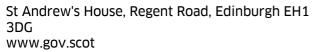
I am aware of the issues which a number of families are facing as a result of WW & J McClure Limited ("McClures") going into administration and I appreciate the distress this has caused and sympathise with those affected.

I understand that legal firm Jones Whyte LLP took on McClures files and is engaging with those affected. The priority in cases such as this is to ensure the security of the clients' confidential data, documents and funds by ensuring that they are passed to another regulated solicitor or firm. It is now the responsibility of the acquiring firm Jones Whyte to contact the former clients of McClures. Due to the number of clients affected I understand that Jones Whyte has indicated that it is prioritising cases which need immediate attention and continues to inform clients.

The Scottish Government recognises the importance of all affected clients being informed in a timely manner and has engaged with the Law Society of Scotland ("the Law Society") to understand what action it is taking. The Convener of the Regulatory Committee wrote to me in advance of the Members' Debate in February 2024 to advise that the Committee are considering what other changes may be required to address some of the issues arising from this case. The Convener has advised that the Committee will introduce new Practice Rules and additional guidance, principally in relation to the obligations and expectations, including communications, when a solicitor or practice makes arrangements to pass client assets to another.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot









Clients may retain the services of Jones Whyte or they may request their file and seek the services of another legal firm. The Law Society note that requesting the file should be free of charge (other than the costs of sending on the file) if Jones Whyte are not instructed.

I am aware of calls for the Scottish Government to consider initiating an information campaign to raise awareness among the former clients who may not yet been informed about the situation. This is a matter for the Law Society as the regulatory body. When WW & J McClure Limited ceased trading, the Law Society published notifications on their website and have published information to assist those affected: McClures Jones Whyte FAQs | Law Society of Scotland (lawscot.org.uk).

I would encourage those affected to seek advice from the Law Society of Scotland and the Scottish Legal Complaints Commission ("SLCC") who can provide information and clarity on how to seek redress – through raising a complaint, making a claim under the client protection fund, or making a claim through the professional indemnity insurance scheme.

These measures are in place to provide consumer protection and redress where appropriate, and these schemes remain a route to redress when a legal firm has gone into administration.

The SLCC is the gateway for all complaints about solicitors in Scotland. If the SLCC determine that the complaint is eligible and that it relates to the service provided by a Scottish solicitor, they will deal with it. If they determine that a complaint is eligible and relates to a conduct issue, they will pass it to the Law Society for investigation. The SLCC operates independently of the Scottish Government, Scottish legal profession, the Law Society, the Faculty of Advocates and Association of Construction Attorneys. Their position of independence is intended to provide impartiality and objectivity to reviewing complaints.

I am aware that this matter has been reported to Police Scotland. I understand that Police Scotland have commented that 'an assessment of the information is ongoing'. Therefore, it would not be appropriate for me to comment further.

Whilst I cannot comment on individual cases, the Scottish Government has taken proactive steps to strengthen the legislation in respect of legal regulation and trusts, which will help to mitigate against such a situation in the future.

I am aware that a number of affected clients held trusts with McClures and it may be helpful to be aware that The Trusts and Succession (Scotland) Act 2024 ("the Act") made a number of important changes to how trusts are administered and how trustees are appointed or removed. The Act made changes to respond to the significant practical difficulties that co-trustees may have in removing a trustee who was appointed as a trustee in their professional capacity but is no longer a member of their profession. This will make it simpler to remove a professional trustee who is no longer practicing.

Such cases show the need for legal regulation that centres on the public interest and protection of the consumer. The Regulation of Legal Services (Scotland) Bill ("the Bill"), which is currently going through the Scottish Parliament, will introduce a requirement for all legal businesses to be authorised to provide legal services. The current legal framework places the emphasis on regulating the individual solicitor rather than the law firm they are employed by. This new system of 'entity regulation' will bring greater oversight and monitoring of legal businesses.

Entity regulation will provide the Law Society with greater powers to review a business's performance to ensure it is complying with its duties to clients and that it is financially sustainable.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG www.gov.scot







Entity regulation will also introduce greater consistency in how legal firms are regulated, with all entities having to meet the same high standards. An improved ability to collate data will help the Law Society to identify and address deficiencies early, taking the necessary preventative action. The Bill extends 'regulatory complaints' to include those legal entities, intended to allow a mechanism to address any systematic issue in a legal firm that may arise.

The Bill sets out the regulatory objectives which must be complied with as legal regulators exercise their functions, including consideration of the Consumer Principles, the Better Regulation Principles, and Human Rights principles. In addition, the Bill will streamline the legal complaints system, which many stakeholders have called for, making the process faster and simpler for the consumers and legal practitioners who find themselves involved in it, such as those affected by McClures.

If there is any concern that a legal regulator is failing in its duties the Bill introduces an ability for a regulator's performance to be reviewed and measures taken to ensure improvements are made, where necessary.

The Scottish Government will of course continue to monitor the situation alongside the regulatory authorities.

I am grateful to Consumer Scotland for its consideration of this matter. I will ask my officials to engage with your office to discuss these issues in more detail.

Yours sincerely

SIOBHIAN BROWN

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot





