

LAWTECH UK

**The LawtechUK Report
2021**

**Shaping
the Future
of Law**

LAWTECH UK
PANEL

TECH 
NATION



**Lord (David) Wolfson of Tredegar QC,
Parliamentary Under-Secretary of State for Justice**

“I would like to congratulate LawtechUK on this important and timely report on digital transformation in our legal services sector, which forms an important contribution to the debate. In Government we are excited about the potential that technology and innovation have to transform the wider justice system. We are proud to have one of the world’s largest legal services market here in the UK. Our ambition is to ensure our legal services sector continues to be world leading and an important part of that is ensuring that the UK is a global hub for lawtech. This is why – together with Tech Nation and the LawtechUK Panel – we have funded and developed LawtechUK. The programme has already delivered a successful Lawtech Sandbox and the exciting LawtechUK Hub which has been designed to be accessible to everyone to provide an introduction to lawtech, as well as the other fantastic work referenced throughout the report. This report marks another important milestone in the LawtechUK programme of work.”



Jenifer Swallow,
LawtechUK Director, Tech Nation

The law is critical in all our lives and businesses, but the mechanisms through which we access it are typically opaque, expensive and slow. We need and deserve the best possible legal and court services, delivered through modern methods and accessible to everyone - supporting regular people at important moments in their lives, maximising efficiency and responsibility in business, and contributing to our collective stability and prosperity through ever-changing times. Digital transformation of legal and court services offers the answer, achieved through collective action on lawtech across the sector, without delay.

This report is a call to action - to all members of the UK's legal community and in particular its decision-makers. Lawtech is a common theme around which this community can coalesce: it is relevant to the service of all its users, clients and customers, and relevant

to every element of the sector, from startups to established legal services businesses and in-house legal teams, regulators, academics, the justice community and policy makers. With sharp focus and concerted effort, we can establish a system and catalyse behaviours and results that no organisation could achieve on its own.

The UK is in a leadership position to achieve this and show what can be done, across tech investment, education and talent, UK-wide connectivity, standards and regulation, open data and ESG.

This report identifies seven priority focus areas. It offers an opportunity to step back from the busy day job and consider the bigger picture, the part each of us plays, and the action needed from here. If we work together, we can achieve twenty years' worth of progress over the next five.

LawtechUK

LawtechUK, is a government-backed initiative within Tech Nation, established to support the transformation of the UK legal sector through technology, for the benefit of society and the economy. LawtechUK has a targeted work programme focused on increasing awareness and understanding of lawtech and fostering transformative innovation, supported by the LawtechUK Panel. The Panel, established in 2018 by the Secretary of State for Justice, is a group of leaders and experts from industry and the public sector who act as the advisory board to LawtechUK. LawtechUK's current remit is economic growth. Separate government initiatives focus on legal support and access to justice for citizens.

This report does not represent government policy

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Key takeaways

Key takeaways

The future of legal and court services is digital and lawtech is key to securing a strong future for society, business, the legal sector, and the UK. The opportunity and imperative for digital transformation are here now. We have identified seven priorities to shape and accelerate this transformation through lawtech over the next five years.

1. Investment	<ul style="list-style-type: none">• Greater investment in technology and R&D is needed. While average R&D investment across all business sectors is 5% or more of revenue, few legal businesses target as much as 1%.• While R&D investment is lagging among incumbent legal service providers, the UK lawtech start/scaleup market grew 101% in the last 3 years - faster than other tech sectors during the same period. The startup dynamic is a catalyst for wider sector technology innovation.• General counsels and in-house legal departments can position themselves as the powerhouse of the legal sector, leveraging their buying power to drive innovation and tech adoption.
2. New markets	<ul style="list-style-type: none">• There is an £11.4bn per year market opportunity for lawtech and innovation to address the unmet legal needs of SMEs and consumers by providing accessible and affordable services, including projected savings from online conveyancing services of 9 million hours and £25m per year.• As with fintech, reaching consumer markets through lawtech will accelerate the transformation of the sector overall.
3. Data	<ul style="list-style-type: none">• Embracing and utilising data is critical to the future success of the sector and the people it serves. All within the sector need to work to improve how data is collected and made accessible.• Collective effort from organisations, government and regulators is needed to establish common approaches, governance and standards to enable responsible, secure and equitable access to data and unlock its benefits.• Investing in Open Legal along similar lines to Open Banking will bring a step change in data structuring, access, portability and use, towards shared sector goals in the service of business, society and the economy.
4. Connectivity	<ul style="list-style-type: none">• Collaboration is key to ensuring technology-enabled legal and court services meet the needs of customers.• Sector challenges can be surmounted more quickly and have a more enduring effect if we can tackle them collectively.• Promoting connectivity across the UK will enable the lawtech market to thrive and leverage regional strengths.

Key takeaways

5. Technology awareness and capability	<ul style="list-style-type: none">• Promoting technology literacy across the sector will provide a foundation for innovation, and the ability to harness more advanced technological capability.• Employing and retaining skilled technologists and other digital specialists is crucial for the legal sector to continue to grow and compete. We have the opportunity to highlight the compelling challenges lawtech can help to address, and change perceptions of what working in the legal sector means going forward.
6. Policy and regulation	<ul style="list-style-type: none">• Regulators and policy makers can lead by example on legal innovation, tech deployment and a commitment to open data, and help build confidence in lawtech.• Government can leverage industry to help address systemic challenges in law through technology.
7. Sustainable growth	<ul style="list-style-type: none">• Lawtech gives us the tools to advance the rule of law, support the ESG agenda and set new standards, to benefit society and our economic prosperity.



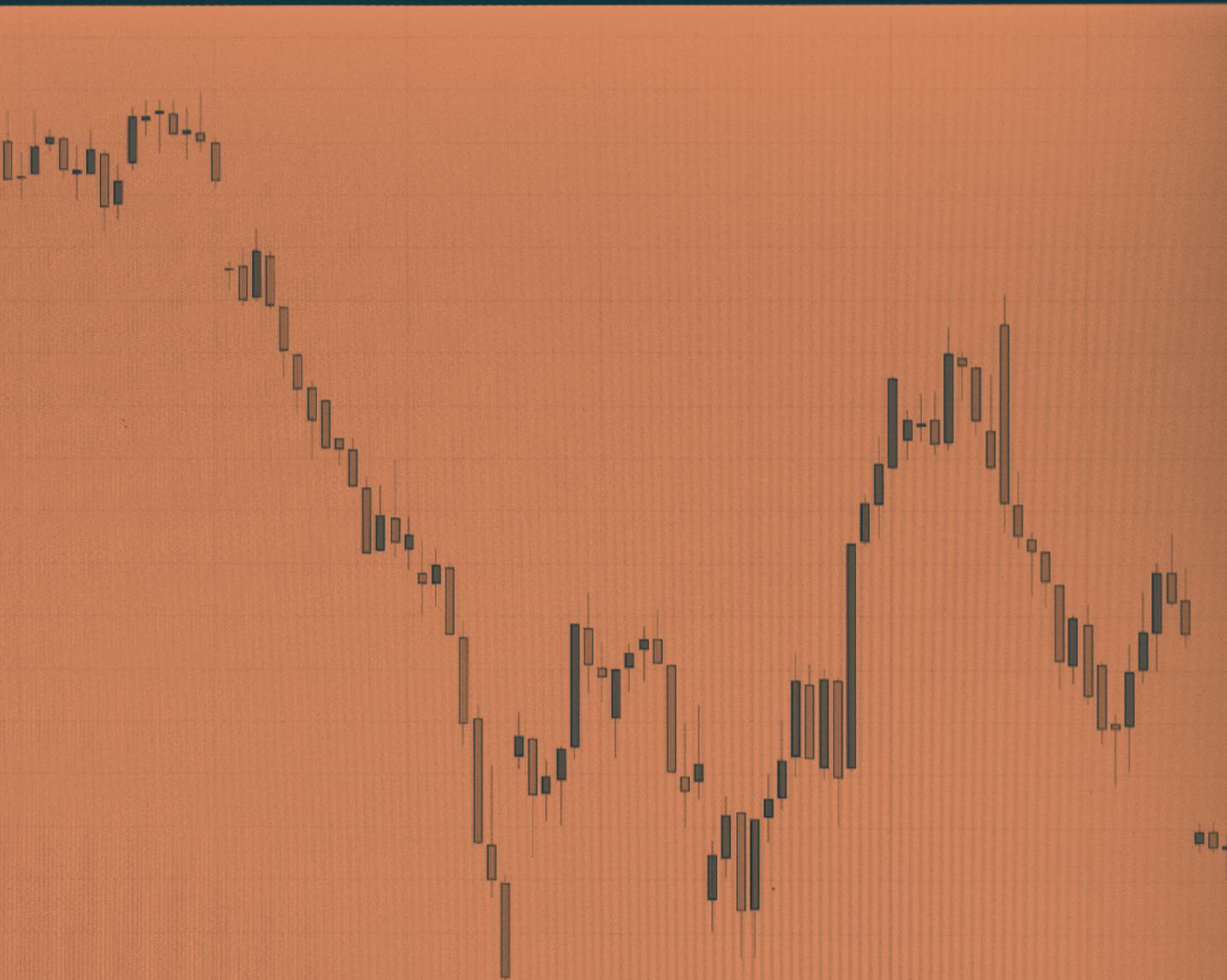
Lawtech is technology that supports or enables the delivery of legal and court services. It is a broad church, spanning a spectrum of applications and possibilities, including handling and resolving disputes, contract creation, management and analysis, compliance, paperless trade, digital documents and e-signing, process automation, research and information, marketplaces and advice facilitation,

matter and practice management, risk management and predictive intelligence. Examples of lawtech and the benefits they bring can be found in the Annex to this report.

“Lawtech is such a broad category, it is hard to pinpoint where it starts and finishes, from privacy and regulation, contracts,

compliance and grievances. There is loads of space for highly investable opportunities to emerge. On the consumer side, the good plays will grow the overall market, democratise the law and empower people. We might also see a crossover with insurtech as the market moves to insure away basic legal risk like in conveyancing.”

**Tom Wilson,
Partner, Seedcamp**



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Objective and opportunity

Objective and opportunity

1 The future of legal and court services is digital and lawtech is key to securing a strong future for society, business, the legal sector, and the UK. Technology in law has advanced beyond being a back-office efficiency tool. It is an enabler of fundamental change in the frontline delivery of legal and court services, and a mechanism for doing things differently, setting new standards, and importantly, putting user outcomes front and centre.

2 The tension, cost and delay in legal and court services can be reduced. The legal aspects of doing business can become simple and transparent: how we enter into and manage a partnership, evaluate a business decision, keep up to date and comply with regulations, handle intellectual property, and administer governance. The legal moments that shape our lives can be affordable, fair and smooth: buying a home, administering assets, dealing with death, disputes, employment and insurance. We can have access to accurate, real-time data to help us make well-informed decisions.

Our vision for user outcomes through lawtech



Everyday business and consumer activities around law are as easy as using a smartphone app



All but the most complex or contentious disputes and issues are dealt with within days or weeks and are non-adversarial



Documents and processes are seamless, interoperable and efficient, speeding up activity and saving money



Legal and court services are economical and trusted



Decision-making and risk management are improved and transparent, using big data, with appropriate controls

3 With the historic strength of its legal system and legal community, the UK is in a leadership position to deliver this - re-thinking and re-engineering outdated structures and using technology to introduce new services and enhanced capabilities. With the vast changes we are all experiencing, outdated structures and models are exposed for what they are and society is asking for vested interests to be set aside - the imperative for transformation and growth has rarely been greater.

Objective and opportunity

4 To achieve fundamental change requires a strategic approach, spanning the following elements:

Disputes	A fully digitally enabled court service that triages user issues, maximises user choice and integrates alternative ways of resolving or dissolving disputes.
Legal practice	Modern legal practice, delivered digitally, in effective and affordable ways, proactively evolving.
Laws	Substantive law and regulation that is fit for purpose, by being able to accommodate emerging technology in a timely way and recognise its legal and commercial functionality and value. The law needs to adapt not only to technological advances, but also to be prepared for future developments.
Education	Overhauled legal education where legal professionals and other specialists are equipped to deliver 21st century legal services; re-evaluating what they are trained to do and be, and how training is delivered.
Culture	An environment and culture in which innovation, user-centricity and challenging the status quo are the norm from diverse contributors, aligned around shared purpose and good governance.
Trust	High levels of public confidence in the legal system, the legal sector and the technology they use, realising fair, accessible and transparent outcomes.

5 All this requires the legal services community to adjust our posture and work together for wholesale, systemic change, with no sacred cows. Perpetuating an analogue status quo, tinkering around the edges of digital transformation, or simply digitising current processes would fall short

against every measure of success. Lawtech is not a panacea, but it has become a vehicle for innovation, it is attracting investment and talent, and it offers the potential to genuinely transform legal and court services.

Objective and opportunity

6 The legal sector has been one of the slowest to evolve,¹ without a burning platform or external pressure to change and with a range of sector-specific barriers impacting the adoption of technology.² But it has now reached an inflection point. The capacity and imperative for digital transformation of the legal sector are here now.

- As a result of Covid-19 restrictions, everyone working in legal and court services has used technology for remote working and experienced its potential. Progress that would previously have taken years was achieved in weeks, like introducing video court hearings and law firms adapting to remote working. The learning curve was steep, but it was successful and prepared the legal sector for genuine digital transformation.
- The response to Covid-19 demonstrated the possibilities of technology in law, and increased the population of advocates for change in legal and court services.
- Being forced to go digital also highlighted the challenges: the lack of remote document access, processes and

rules that require physical presence or hard copy documents, the need to be familiar with the basics of technology, legal services costing too much. ‘Digital-first’ is not going away and entirely new expectations abound.

- The technology we need to go to the next level is ready and available for all who reach for it. Although technology is constantly evolving, it is not hard to find or hard to use. New capabilities become new standards and responsibilities.
- Legal businesses, in-house legal teams and regulators are focused on technology, as never before. Tech and data capability are board level priorities, no longer sidelined as nice-to-have.
- Covid-19 has reshaped organisations and the economy. The possibility and impact of future crises and volatility is understood and the drive to stabilise, innovate and contribute has never been greater. No part of the ecosystem is unaffected. Each has a part to play in defining the future.

- Government commitment to technology, innovation and R&D is at an all time high, with £22bn per year committed by 2025,³ an ambitious National Data Strategy⁴ and National AI Strategy,⁵ and a focus on global leadership in science and technology, as well as active backing for lawtech across policy, court reform and grant funding.



A recent McKinsey & Company report described digital adoption as having taken ‘a quantum leap at both the organizational and industry levels’, with its data indicating Covid-19 precipitated a ‘tipping point for technology adoption and digital disruption of historic proportions - ...more changes will be required as the economic and human situation evolves’.⁶

7 By forcing legal and court services to embrace remote working, the response to Covid-19 has already changed the status quo when it comes to tech adoption. Now it is for the legal community to build on this progress,

1 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK); RELX Group, ‘The RELX Emerging Tech Executive Report 2020’ (2020).

2 - The Law Society, ‘Lawtech Adoption Research’ (2019).

3 - Department for Business, Energy & Industrial Strategy, ‘UK Research And Development Roadmap’ (2021).

4 - Department for Digital, Culture, Media & Sport, ‘National Data Strategy’ (2020).

5 - Office for Artificial Intelligence, Department for Business, Energy & Industrial Strategy, and Department for Digital, Culture, Media & Sport, ‘AI Roadmap’ (2021).

6 - McKinsey, ‘How COVID-19 has pushed companies over the technology tipping point—and transformed business forever’ (2020).

Objective and opportunity

address the early challenges with introducing technology and systems without notice, and harness the true breadth and benefits of technology and data resources available. With this shift in demand and capability, the 2020s will be a period of technological revolution in law.

“Lawyers are moving to browser-based platforms, adopting new technology at scale. New ways of working during the pandemic have accelerated this change. At Juro we saw customer contract volumes increase by 300% from one month to the next during the pandemic as they migrated key commercial relationships online. It’s exciting to think how post-pandemic lawyers will carry these new skills and experiences with them. Lawyers who have experienced real-time, cross-border changes to regulation, or feeding health workers at scale, or navigating regulatory frameworks for hand sanitizer overnight, can probably handle just about anything the future can throw at them.”

Richard Mabey,
Ceo, Juro

8 LawtechUK commissioned research estimates the annual demand for lawtech to be worth up to **£22bn**⁷ to the UK economy, made up as follows, and excluding a range of elements such as exports and demand relating to regulatory compliance:

- Up to **£1.7bn** annually in productivity gains for legal services providers through increased use of lawtech.
- Up to **£11.4bn** in annual revenues from lawtech meeting unmet demand for legal services from SMEs and consumers.
- Up to **£8.6bn** per year in cost savings for SMEs from using lawtech services.

9 The opportunity is significant.

- **For customers**, the prize is renewed confidence in and easy access to legal services - their legal needs met fairly, effectively and economically.
- **For those providing legal products and services**, the prize is satisfied clients, new revenue streams and models,

consistently high-quality, strategic and exciting work, increased productivity, lower overheads, lower risks and kinder and more sustainable working practices, fuelling greater diversity and inclusion.

- **For the legal sector**, the prize is increased efficiency and profitability, contributing to a thriving society and economy, and recognition as a leading global resource for business and justice.
- **For the UK**, where legal and court services underpin society, trade and the rule of law, the prize is stability, prosperity (including jobs, revenue, business growth, inward investment, exports and more) and leadership on the world stage. Evolving the legal sector and leveraging lawtech capability as a core jurisdictional strength can help the UK be the number one place to do business and resolve disputes globally.

10 Developing effective systems, standards and technology in law that advance us all should be a top priority, and we need the vision, commitment and leadership to drive it through. We have a responsibility to keep evolving alongside changing legal needs and

7- Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

Objective and opportunity

the technology used to address them - there will be new technologies, jobs, capabilities - and challenges - in the coming years that do not yet exist.

11 Technology has ceased to be a discretionary element for governments, businesses and consumers, increasingly impacting all aspects of our lives - law, education, food, security, transport, energy and health. The changes we will see over the next five to ten years will be foundational, paving the way for new opportunities and challenges.

“It’s taken 20 years to get to the start line, the next 20 years is when it gets really interesting.”

Saul Klein,
Founding Partner, LocalGlobe

12 There are specific steps to be taken, working across disciplines in a targeted way. The answers will not be found in a single product, solution or process or through a single person, organisation or skill set. They will be found at the intersection of a range of ideas, specialisms and experience, and in practical application through R&D. Importantly, they will be realised through coordinated efforts towards a common purpose.

13 At LawtechUK, our purpose is to support the transformation of the UK legal sector through technology, to meet and exceed the evolving demands of business and society.⁸ This report sets the path towards the future and identifies the areas in which concerted effort can bring about accelerated progress in law.

8 - LawtechUK, [LawtechUK Vision](#) (2020).

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Priority focus areas

Priority focus areas

There are **seven priorities** for targeted action to accelerate digital transformation of the legal sector.

1) Investment

Startups and scaleups

14 Entrepreneurs are critical to market disruption. As we have seen in other sectors such as finance and health, technology entrepreneurs identify specific market challenges around which to innovate. They bring together subject matter expertise and technology to find new ways to meet and exceed customer needs at a competitive price point, creating new business models and opportunities, disrupting incumbents and shaking up the status quo. This explains the £572bn in value of UK tech startups and scaleups⁹ and the median tech job salary being £10k greater than the national average.¹⁰ These numbers do not reflect the surge in innovation and startup activity prompted by the impact of Covid-19.¹¹ Estimates show that AI technologies - used in all sectors, including legal - could deliver a 10.3% increase in UK GDP by 2030, the equivalent of an additional £232bn, making it one of the biggest opportunities in today's economy.¹²

“While the tech sector has been growing at pace over the last decade, the pandemic has cemented its place at the core of our economy. The everyday need for technology has been accelerated, along with the importance of supporting technology founders - those who are creating the solutions today to tackle the biggest challenges of our lifetime. Challenging times are innovative times from which new growth can flow - we saw the equivalent of a new tech business created every 30 minutes during 2020. The opportunities span all sectors, not least those ripe for disruption, such as lawtech is bringing to the legal sector.”

**Stephen Kelly,
Chair, Tech Nation**

15 The UK has a leading lawtech market, with just under 200 lawtech startups and scaleups

(‘lawtechs’) at the time of writing,¹³ including the ‘regtech’ sub-sector focusing on legal compliance. The range of companies and level of activity is illustrated by the high engagement with legal sector incubator programmes and the Lawtech Sandbox, which attracted 65 applications in a 10-day window for the pilot.

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The Lawtech Sandbox was developed by LawtechUK to fast track transformative ideas, products and services that address the legal needs of businesses and society. It provides pioneers accepted on the programme with access to a number of tools, services and people, including a single, fast response forum of regulators known as the Regulatory Response Unit, and access to legal data through a matchmaking service.

⁹ - Tech Nation, ‘Tech Nation Report 2021’ (2021).

¹⁰ - Tech Nation, ‘Jobs And Skills Report’ (2020).

¹¹ - ‘Business demography, quarterly experimental statistics, UK: October to December 2020’ (Office for National Statistics, 2021).

¹² - PwC, ‘The Economic Impact Of Artificial Intelligence On The UK Economy’ (2017).

¹³ - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

Priority focus areas

16 LawtechUK commissioned research indicates:

 **101%**

- **Average annual growth** rate of investment in lawtechs between 2017 and 2020 was 101%, which is considerably higher than the average for other applied tech sectors in the same period, including fintech (20%), climatetech (5%) and healthtech (47%). Annual investment in lawtech at the beginning of this period (2017) was much smaller than in other sectors (£24m compared to £98m in the second smallest, insurtech).¹⁴

 **£2.2bn** by 2026

- **Investment** in lawtechs could reach £1.6 to £2.2bn per year by 2026, with a high scenario (50% annual growth rate) comparable with fintech investment in 2018 and a mid scenario (30% annual growth rate) in line with current investment in healthtech. Cumulatively, that equates to £5.3bn of investment

in a moderate scenario and £6.7bn in a high scenario within five years, from a private investment total of £674m to date.¹⁵

 **12500** by 2026

- **Employment** within lawtechs on a similar growth trajectory rises from 5,600 today to 8,000 in a moderate scenario, and 12,500 in a high scenario.¹⁶ The gross value added contribution of this level of employment is in the range of £1bn to £1.5bn, accounting for around 5% of the GVA¹⁷ of the UK legal services sector, which is a similar ratio to the current UK fintech and financial services industry GVA of around 6%.¹⁸

 **214%**

- **Segments** seeing the fastest growth in lawtech are regulatory compliance, growing at 214% over the last three years, consumer and SME lawtech services, growing at 74%, and legal document creation, management and review, growing at 24%.¹⁹

14 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

15 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

16 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

17 - Eurostat, 'Glossary: Gross value added' (2019).

18 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

19 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

Priority focus areas

Fundraises and exits			
 <p>Exzent Platform to support professionals and teams managing probate</p> <p>Location: Scotland Raised in round: £3.6m Employ: 32</p>	 <p>ContractPod Contract lifecycle management software</p> <p>Location: London Raised in round: \$55 million Employ: 133</p>	 <p>Farewill Wills and probate services</p> <p>Location: London Raised in round: \$25 million Employ: 123</p>	<p>DocuSign DocuSign buys Clause for an undisclosed sum Smart agreement creation software</p>  <p>THOMSON REUTERS Thomson Reuters buys HighQ for an undisclosed sum Legal work and matter management platform</p>

17 Consistent with growth trajectories in other tech sectors,²⁰ lawtech is moving beyond its initial phase of growth involving the formation of many startups, into a period where formation of new companies slows down, existing companies grow and others are acquired, merge, or otherwise exit. Year-on-year growth of new lawtechs slowed from 2019 to 10%, but fundraising has maintained its pace, reaching 42% in 2020.²¹ These early signs of consolidation indicate a maturing market that will benefit buyers and sellers and contribute to market growth, by providing:

- Easier buying decisions for buyers facing a proliferation of vendor and product choices
- Emergence of market leaders and known brands, as is now seen with the neo banks and accounting software, which lowers concerns around investing in unknown products
- Faster decision cycles and lower research and onboarding costs, for both buyers and sellers²²
- Increased standardisation and

- interoperability of products enabling end-to-end working and the ability to design bespoke workflows using compatible products
- Economies of scale for lawtechs able to operate across product types, for example being able to use common datasets, as large datasets can be difficult and expensive to produce, for a range of tech development

“At the UN Commission on International Trade Law, I worked on a project to increase the resolution of disputes online, cross-

20 - Tech Nation, 'Jobs And Skills Report' (2020).

21 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

22 - Bronwyn Hall and Beethika Khan, 'Adoption Of New Technology' (National Bureau of Economic Research, 2003).

Priority focus areas

border. We had big ambitions, but I realised the real opportunity to create impact was on the ground – so I left to found a platform called CrowdJustice, to try and give more individuals better access to legal services. We have now helped individuals pay more than £20M in legal fees and given over half a million people the ability to donate, participate and feel they have a voice in the legal system. CrowdJustice made me realise that there was a huge opportunity to build tech products that could give clients a better experience, and in so doing, give law firms a competitive advantage. Now at Legl, where we have over 140 law firm customers, including a dozen in the top 200, we are driving revenue, efficiency and data in law firm operations, while dramatically improving clients' experience of their law firm.

From the bureaucracy of the UN to creating products that people use every day on the ground, it's been a journey that's been driven by learning and listening to the market and trying to create something that drives real value for customers."

Julia Salasky,
CEO, CrowdJustice and Legl, and
LawtechUK Panel member

18 As with other tech sectors, the growth of lawtechs is an indicator for the degree of transformation of the legal sector overall, stimulating competition, increasing geographical and market reach, generating new service opportunities and business models, and contributing to innovation as part of a virtuous circle that ultimately empowers and benefits customers. Entrepreneurialism can come from anywhere; whether from lawyers who see first-hand what is not working or from people with backgrounds outside legal who recognise a market opportunity or a new way of solving a significant problem.

"When I first sought to raise funds for LegalZoom, the venture capital community looked at us like we were crazy. How were two lawyers going to disrupt the legal industry, and how big was the opportunity? They kept on telling us that we might have a fine little 'lifestyle' business. Fast forward twenty years, and the tremendous scope of the opportunity is clear. Furthermore, in the same way that VCs no longer think computer engineers can't be CEOs, a whole generation of entrepreneurial lawyers are changing the way the outside world views innovation in the legal space."

Brian Liu,
Co-Founder and Founding CEO, LegalZoom,
and LawtechUK Panel member

19 Investors are increasingly interested in opportunities to fund disruptive businesses in regulated sectors.

"The lawtech segment is getting extremely interesting. We have been talking to a range of companies and seeing increasing investments and emerging success stories. Legal practice is crucial to literally every organisation and the market is global, yet unlike its operational peers - from HR and finance to sales and marketing - legal has seen minimal disruption. This is a massive opportunity, especially for the UK as one of the largest hubs for legal services and home to many of the world's largest corporates. Now is the time for entrepreneurs (who don't have to be lawyers...) to rethink the exciting value that lawtech can unlock for enterprise, SMEs, and consumers. And not just with point solutions but with holistic offerings. Investors will follow."

Mish Mashkautsan,
General Partner, LocalGlobe and Latitude

Priority focus areas

20 Supporting the startup and scaleup community to grow, enabling good access to capital, and removing systemic impediments to that growth are critical to realising the full opportunities of lawtech disruption and securing the UK's position as the global hub for lawtech, alongside fintech. As a common comparable, fintech grew in a heavily regulated environment with significant barriers to entry and powerful, well-capitalised incumbents. In lawtech, there are many activities, products and service lines that do not require regulatory authorisation or integration with government or incumbents' infrastructure, and in terms of total addressable market, although legal services is a smaller market overall, all businesses, organisations and people are potential users of lawtech.

“Investors globally are looking at the UK as the best place to invest remotely or set up shop. It is a buoyant time for venture and UK tech success stories are fueling a range of alumni start-ups. There are few better places now to set up or scale your company and the opportunity for the legal community is to

help make the environment ripe enough to seed the next Google, TransferWise or other breakout company, whether in lawtech or other categories - companies that on their own can contribute more than the entire legal sector to the economy.”

Reshma Sohoni,
Co-Founder and Managing Partner,
Seedcamp

21 Projected growth rates for lawtech investment range from 10% to 50%²³ tracking paths and timelines similar to other more established technology sectors. In 2026 lawtech would attract levels of investment broadly comparable to fintech in 2018, based on a 50% growth rate, putting it eight years behind the fintech curve.²⁴ Perhaps more comparable in terms of user behaviour with sectors such as health and education, it is also possible that lawtech investment will accelerate faster, confounding comparison. Lawtech can find its place at the core of the future economy.

Technology and R&D

22 Innovation and technological development continue to rank at the top of government and board agendas.²⁵ R&D is acknowledged to be fundamental to innovation, with economic theory emphasising its importance for economic growth.²⁶ Technology has become a priority for many law firms²⁷ and 77% of in-house legal teams now report increased focus and investment in lawtech.²⁸ UK government investment in R&D is at an all-time high with a commitment of £22bn per year to R&D by 2025, focused on recovery, economic growth and global trade, and £12.4m of UK Research and Innovation funding committed to lawtech R&D, supporting 23 projects in the last two years.²⁹



R&D initiatives like the Stanford Research Park³⁰ have fueled business and technology ecosystems such as the widely emulated Silicon Valley and government R&D support has enabled the acceleration of entire industries, like in renewable energy technology.³¹

23 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

24 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

25 - McKinsey, 'How boards have risen to the COVID-19 challenge, and what's next' (2021).

26 - Rachel Griffith, 'How important is business R&D for economic growth and should the government subsidise it?' (The Institute for Fiscal Studies, 2000).

27 - PwC, 'Embracing change to succeed: PwC Law Firms' Survey 2020' (2020).

28 - 'How legal tech is used in law firms and in-house 2020' (Statista, 2020).

29 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

30 - 'Past, Present & Future: Who Are We, How We Began, And Where We're Going' (stanfordresearchpark.com).

31 - Department for Business, Energy & Industrial Strategy, the Rt Hon Anne-Marie Trevelyan MP, 'Over £90 Million Government Funding To Power Green Technologies' (2021).

Priority focus areas

23 Board and government level focus is translating into increased investment in technology and R&D activity in the legal sector. Legal businesses and in-house teams in particular have begun to invest more into R&D, as evidenced by the many entries received to the FT Innovative Lawyer awards, and the hubs and labs, such as the University of Oxford's Deep Tech Dispute Resolution Lab. 1% productivity improvements in legal services a single year has the potential to boost UK GDP by approximately £1bn by 2050.³² A challenge for many organisations has been the need to fix foundational IT, such as practice management systems, human resource systems and client and matter inception and management systems, but adoption of mobile apps, client collaboration tools, and automated/semi-automated document production has progressed with more than 50% of top 100 firms using these applications.³³

“Legal services, like financial services, underpin the rest of the economy. Investment in these sectors therefore provides double leverage, creating direct economic growth and productivity in the sector itself and also enabling growth and

sustainability in the rest of the economy they serve. It is key to ensure R&D investment does not stop at the investment stage, but has the support to ensure it tracks through into impact on the ground. Incumbents can contribute by being clear about the challenges to address and what they want and need to achieve.”

Stephen Browning,
Challenge Director, Innovate UK

24 With a different organisational context and drivers, in-house teams also lack the data necessary to understand and manage risk,³⁴ do not have the technology they need to do their job³⁵ and are struggling to manage increasing workloads.³⁶ Greater focus on process optimisation and leveraging the opportunities of technology and R&D can enable legal teams to be run to the level of capability now expected across business operations and in the face of ever tightening budgets. One way of achieving this without increasing their expenditure is leveraging the capabilities of their legal service providers, particularly those who highlight their innovation and technology programmes.

“There needs to be an embrace of what corporations across the world do all the time, which is to invest in R&D. Lawyers often have not looked at things that way and it is great to see the larger firms start to take that investment seriously for not only their own benefit but critically for their clients. It is this that will make a difference because innovation creates a healthy competition to deliver the best service - which is what we want to see in every aspect of services, in and outside of legal.”

Judy Perry Martinez,
Immediate Past President, American Bar Association

25 There remains a significant gap in maturity between the increased use of foundational and mainstream technologies and strategically transformative technologies, such as artificial intelligence and smart contracts.³⁷ It is also unclear how much current R&D goes to the heart of legal service transformation - reinventing delivery methods, exploring new business lines and models and delivering additional services and substantial cost benefits to clients - as opposed to surface-only change. LawtechUK

32 - The Law Society, 'Legal Services' £60bn Economic Contribution Must Be Heeded In Brexit Talks' (2020).

33 - PwC, 'Resilience Through Change: PwC Law Firms' Survey 2018' (2018)

34 - Cornelius Grossmann and others, 'The General Counsel Imperative: How Do You Turn Barriers Into Building Blocks?' (EY, 2021).

35 - Blickstein Group in collaboration with Morae Global, 'Continuing To Mature While Bracing For Uncertainty' (2019).

36 - Cornelius Grossmann and others, 'The General Counsel Imperative: How Do You Turn Barriers Into Building Blocks?' (EY, 2021).

37 - PwC, 'Resilience Through Change: PwC Law Firms' Survey 2018' (2018).

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commissioned research estimates that up to £60m per year is spent on R&D by UK law firms above 250 employees, though the benefits of R&D are available to firms of all sizes.³⁸ This £60m of investment is low, compared to the average R&D ratio in business of 5% or more of revenue.³⁹ For legal businesses contributing the £37bn of legal services revenue in 2020,⁴⁰ 5% of revenue would amount to a collective £1.85bn of R&D investment in a single year.

“We strongly believe that to transform the delivery of legal services, it’s important to do more than just talk about it - we need to commit to really doing it and that means investment in people, process and technology. Our new R&D function is the culmination of years of experience with digital solution development and is consistent with our conclusion that if you’re going to really do it, you need to invest in doing it well. In this function we have brought together our product development expertise together with technical, research and project management professionals to create a team that is wholly dedicated to both research and digital development. But it is a journey and, while we are making

positive steps and see our peers and clients doing the same, there is still a long way to go when compared with other industries.”

April Brousseau,
Director, Research & Development,
Clifford Chance

26 Whilst fixing foundational IT issues has played its part in hampering investment in R&D, cultural and emotional factors, preconceptions and lack of understanding, can play a large role in both successful deployment and decision-makers’ willingness to invest in what they consider riskier propositions, especially where returns on investment (ROIs) from R&D can be more difficult to quantify due to the longer, non-linear nature of the innovation process. Research confirms that strong leadership, agile execution and focusing on bold, clear, digital priorities are critical to successful and sustainable change.⁴¹ More can be done to support legal businesses and departments to quantify the benefits and practicalities of investing, including collaborative evaluation of benefits and ROI with stakeholders and users, and sharing learning on successful case studies, implementation strategies and outcomes across the sector.



“We think about tech investment across 3 dimensions: (a) core technology, which is about basic modernisation; (b) near term, which is about reengineering legal, which is where our MDR Lab sits here; and (c) horizon, which is about genuine R&D - smart contracts sits here, for example. We benchmark to make sure we are investing sufficiently across all three, looking at metrics such as percentage of revenue and how our tech strategy maps into our fee structure. We are seeing significant returns on investment, including on data analytics and monetising and divesting our tech projects with clients and partners in both the public and private sector. Being bold on our client T&Cs has been a key success factor, enabling us to maximise our R&D and giving us the scope to adopt innovative technology in our own operations.”

Nick West,
Partner and Chief Strategy Officer,
Mishcon de Reya



38 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).
39 - ‘OECD Science, Technology And Industry Scoreboard 2017’ (OECD, 2017).
40 - ‘Dataset: Index Of Services Time Series’ (Office for National Statistics, 2021).
41 - McKinsey Digital, ‘Five moves to make during a digital transformation’ (2019).

“We currently take a thousand flowers blooming approach to lawtech R&D, investing in lots of small different projects. This doesn’t always go down well with our IT colleagues, who want a single consistent system, but it works for the team as we can experiment, learn quickly, and produce solutions to very specific challenges, for example we have successful R&D projects running for IP rights, commercial contracts, sales and litigation.”

Rosemary Martin,
Group General Counsel and Company Secretary, Vodafone Group Plc, and LawtechUK Panel member

“When it comes to tech, HSF builds, buys and bends a range of solutions to meet both the current and future needs of our clients. While much of this tech is developed or bought as a point solution, we are increasingly creating end-to-end solutions. We are experimenting with the latest technologies and investing in tech that enables the firm to deliver the new legal products and services our client’s businesses need – smart contracts being a key focus, including through our DLT Co. collaborative

venture with IBM and CSIRO’s Data61 to develop smart contract infrastructure.”

Susanna Kipping,
Head of Legal Operations, Process & Automation, Herbert Smith Freehills

27 For those who are financially able to invest or harness funding from government grants to assist with innovation projects, the opportunity is great. R&D is identifying new and better ways of serving customers or the wider business, and staying competitive in the market. R&D is known to contribute not only to organisational rates of return - up to 30% improvement in output and productivity - but also to ‘social’ rates of return, whereby innovation spills over, benefiting supply chains and industry communities.⁴² LawtechUK commissioned research provides an example rate of return on investment from one legal business of £2 to £5 for every pound invested,⁴³ and, drawing on evidence in other sectors, indicates increased use of digital technology by legal service providers could lead to productivity gains worth up to £1.7bn annually,⁴⁴ including improvements in the quality of advice and better outcomes for clients/customers, complimenting rather

than substituting human labour.

28 Buyers of legal services, whether they are corporate legal departments, business owners or private individuals, increasingly look for data-driven advice, and have greater expectations around online access, speed and cost of service delivery, and rigorous ESG standards on risk. 82% of corporate legal departments want their external legal providers to leverage technology and 81% say that over the next three years they will make demands about the technology their providers use to increase productivity.⁴⁵ It will therefore become impossible to deliver legal services to the required standard without excellent technical capability and fully online user experiences.

“Legal services are part of a supply chain that only exists and is only important because of the user. We need to be attentive to the gap between what those users need and what they are actually getting and the impact this has on trust. Tech can help with this, but it is really about taking a ‘human first’ approach to service delivery and the impetus must come from the clients. GCs play an important role in driving this and

42 - Department for Business, Innovation and Skills, ‘Rates Of Return To Investment In Science And Innovation’ (Frontier Economics, 2014).

43 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

44 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

45 - Wolters Kluwer, ‘2020 Wolters Kluwer future ready lawyer: performance drivers and change in the legal sector’ (2020).

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can demand better, knowing there are great service alternatives out there for them today.”

**Dana Denis-Smith,
CEO, Obelisk Support and Founder of the
First 100 Years Project**

29 The in-house community therefore has an opportunity, as the powerhouse of the legal sector, to leverage their individual and collective buying power to drive technological change throughout the sector, and themselves embrace technology, to lead the way.

“A healthy mix of competition and collaboration orchestrated by in-house teams drives greater adoption of lawtech. Mandating use of technology as a key criteria for joining a panel and then measuring innovation value add as part of performance evaluation, creates competitive tension to do more than pay lip service to lawtech adoption. We have seen a marked increase in the use of technology by law firms, with this often being the key differentiator in tenders. Firms are also seeing the commercial efficiencies and

positive impact on teams. Equally, there is a growing body of collaboration occurring between in-house teams and firms to create tech solutions that focus on shared problems to be solved, such as our work with LawAdvisor - a Barclays Eagle Lab LawTech member - and international law firms to develop a matter management platform. This moves us on as an industry, beyond the parade of tech solutions looking for problems that fit, and puts in-house counsel firmly in the driving seat.”

**Martin Halford,
Managing Director - Head of Legal,
Barclays UK**

30 Alongside this, continued strategic investment is needed at a national level, stimulating and supporting the development of infrastructure, standards and cooperation across the sector and accelerating progress. Government backing is critical, such as through our work at LawtechUK, removing systemic impediments, stimulating prioritisation and confidence, and fostering new standards. As has been shown in other sectors, government involvement and investment is a key driver for growth and change. Globally, jurisdictions are investing

heavily in lawtech adoption in legal services to realise its benefits, for example Singapore providing S\$3.68m in subsidies to fund law firm tech adoption costs and S\$10.8m for research on digitising rules and legal documents.

Key takeaways:

- ➔ Greater investment in technology and R&D is needed. While average R&D investment across all business sectors is 5% of revenue, few legal businesses target as much as 1%.
- ➔ While R&D investment is lagging among incumbent legal service providers, the UK lawtech start/scaleup market grew 101% in the last 3 years - faster than other tech sectors during the same period. The startup dynamic is a catalyst for wider sector technology innovation.
- ➔ General counsels and in-house legal departments can position themselves as the powerhouse of the legal sector, leveraging their buying power to drive innovation and tech adoption.

2) New markets

31 Legal services largely do not meet the needs of small to medium-sized enterprises (SMEs) and consumers, whose unmet legal needs present a vast opportunity for sector growth and delivery that can be achieved over the near term, through utilising technology. The untapped market for SME and consumer combined is potentially worth £11.4bn each year, with potential business from SMEs worth up to £9bn and consumer business worth up to £2.4bn per year.⁴⁶

32 The UK's 6 million SMEs - private businesses with less than 250 employees - make up 99.8% of all UK businesses, account for 52% of private sector turnover, employ 16.6m people,⁴⁷ which is 60% of jobs, and produce a large proportion of the nation's innovation and intellectual property. 30% of SMEs report dealing with at least one legal issue each year, and sometimes many more. But 50% of SMEs handle their legal needs on their own⁴⁸ and many do not identify the problems they face as legal issues. 96%⁴⁹ of SMEs regularly experience bad debts, and commercial disputes alone cost them £11.6bn per year.⁵⁰

“When we started SeedLegals, I thought the problem was all about creating legal documents. But what we learned is that nobody is looking for legals, they’re looking for a solution to raising investment, hiring someone, incentivising their team with share options, whatever. And it turns out that the solution to that is data that shows the most common choices made by others like them, an always-on platform that lets them sort it at 10PM on a Sunday night, real-time chat that lets them get answers from an expert in minutes, and a billing model that provides unlimited help and support for one fixed cost. Oh, and legal documents, of course... but that’s a byproduct of the above. And we then see an amazing social engineering change, where companies make choices based on the available ready-to-go product solutions. It’s not automated legals that will ultimately disrupt law firms, it is the expectation that your legal solution platform will be as always-on, instant, data driven and with an intuitive workflow, just like every other business tool you use.”

Anthony Rose,
CEO, SeedLegals

33 There are a range of benefits for SMEs from lawtech products and services: cost savings, greater transparency and certainty as to costs and service delivery, the convenience of being able to access online services outside office hours and asynchronously, and faster response times. LawtechUK commissioned research estimates cost savings for SMEs using subscription-based lawtech offerings of between £2.3bn and £8.6bn per year.⁵¹ Use cases for SMEs over the near term focus around less complex legal work, such as access to legal information, find-a-lawyer services, business formation documentation and contracts. These services are scalable as stand-alone lawtech offerings or through partnerships with existing legal service providers. Regulatory compliance is also a growth opportunity in the SME market in the near term, making it easy and efficient for businesses to understand and meet their legal responsibilities and satisfy their stakeholders and insurers, in a complex regulatory environment. Growth of lawtech products for regulatory compliance can meet this opportunity, with investment in this segment growing at the fastest rate of all lawtech segments - 214% in the last three years.⁵²

46 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

47 - Department for Business, Energy & Industrial Strategy, 'Business Population Estimates For The UK And Regions: 2019 Statistical Release' (2020).

48 - BMG Research, 'The Legal Needs Of Small Businesses 2013-2017' (Legal Services Board, 2018).

49 - Escalate Disputes, 'Time For Change: Late Payment And Commercial Disputes 2019 Survey Results' (2019).

50 - Federation of Small Businesses, 'Tied Up: Unravelling The Dispute Resolution Process For Small Firms' (Federation of Small Businesses, 2016).

51 - Community Research, 'Qualitative Research Into SMEs' Legal Needs And Adoption Of Lawtech' (LawtechUK, Legal Services Board).

52 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).



A survey respondent in LawtechUK commissioned research, Tony, runs a small architectural business in Glasgow. He is a sole trader and has been in business for twelve years.



“The key advantage [to lawtech] is that there are a variety of ‘off the shelf’ offerings, which would make me reconsider what my legal requirements actually are. I know what I know and if I request something from a traditional legal service or my accountant, they will respond to that request without necessarily advising me of other things I should consider. Reviewing the templates and offering made available online would expand my knowledge to consider other areas where I may need to consider legal services. Also the cost of services will be driven down due to being competitive and the provider being aware of this. This is a huge benefit and ... transparency of costs and no hidden costs [are] a massive selling point.”

34 The LawtechUK feasibility study for SME resolution of payment disputes⁵³ specifically targeted the vast problem of late payments to SMEs. Pre-Covid-19, 54% of SMEs experienced overdue payments, collectively amounting to £23.4bn and incurring £4.4bn costs to chase payments. The average SME spends 1.5 hours a day chasing five invoices, worth approximately £8,500.⁵⁴ These figures have risen through Covid-19.⁵⁵ All of this underlines the importance of developing and providing legal and court services that can handle urgent issues quickly and at scale.

35 On the consumer side, 40% of consumers handle their legal issues without assistance⁵⁶ and only 22% get professional legal help. Six in ten consumers experience a legal issue every four years, and 53% of these cause them anxiety.⁵⁷ There are nearly 67m adults in the UK.⁵⁸ If 78% of people experiencing a legal issue are not getting professional support today, there is a significant unmet legal need and a substantial latent market for legal services, the majority of which could be delivered online. People increasingly want digital communication with their lawyers via email or an app rather than in person, and 71% of clients are now comfortable with video consultations.⁵⁹

“There is a real need for the sector to improve its ability to quantify the extent, and cost, of unmet legal need. People won’t always understand that they have a legal need, and they may seek help from other agencies, such as their GP or Citizens’ Advice. This leads to system-wide impacts, and costs, that aren’t always understood or quantified. Technology can help to open-up access to legal services and to reduce unmet legal need.”

Aisling O’Connell,
Technology and Innovation Policy Lead,
Legal Services Board

36 Much of the success of fintech was achieved by taking market share from incumbents serving retail clients by providing more convenient, cost-effective solutions. In legal services, the opportunity beyond this is also to reach people who need assistance, but currently do not receive any service at all - and deliver what can be considered as basic legal health solutions. Using new products and services potentially opens consumers up to further, related product offerings, for example users of fintech banking subsequently engaging with

53 - LawtechUK, ‘SME Online Dispute Resolution UK Feasibility Study’ (2021).

54 - Sarah Penney, ‘New Research: UK SMEs Chasing £50Bn in Late Payments’ (Tide Business, 2020).

55 - Federation of Small Businesses, ‘Late Again: How the coronavirus pandemic is impacting payment terms for small firms’ (2021).

56 - Competition and Markets Authority, ‘Legal Services Market Study’ (2016).

57 - YouGov, ‘Legal Needs Of Individuals In England And Wales’ (Legal Services Board and The Law Society, 2020).

58 - ‘Overview of the UK population’ (Office for National Statistics, 2021).

59 - IRN Research, ‘UK Legal Services Market Report 2021’ (2021).

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consumer trading apps.

“Consumer demand for more accessible and affordable legal services is higher than ever. Technology companies have the skills and resources to deliver on both of these dimensions. More important than either of these factors is the opportunity for a step change in customer experience - that’s where real disruptive transformation can happen in a sector. Having launched in December 2016, we now write 1 in 10 new wills in the UK and are the leading online provider of both probate services and funerals. Approaching these problems with a clean slate and fresh perspective has allowed us to innovate on the experience and grow revenue six-fold in the last 12 months.”

One of the biggest challenges facing the traditional legal sector in coming years will be competition for talent. The wider the gulf between traditional firms and innovators, the harder the gap will be to close. There is an enormous amount of kind, caring, customer centric legal talent in the UK, hampered by an approach to service delivery that is often legal-first, rather than customer-first.”

**Dan Garrett,
CEO, Farewill**

37 The consumer market in lawtech is small, but growing rapidly - by 74% between 2017 and 2020,⁶⁰ with lawtechs demonstrating the mass market capability of disrupting traditional and new categories. Examples are Farewill⁶¹ which offers online probate and will-writing services, and DoNotPay providing applications for parking fine appeals, customer service disputes, hidden fee refunds and now Covid-19 layoffs.

38 The same opportunity exists across a broad spectrum of legal matters. LawtechUK commissioned research indicates the use of lawtech to serve UK consumer demand could generate up to £2.45bn in revenue per year.⁶² For example conveyancing - relevant to 65%⁶³ of the UK population - is slow and unwieldy. LawtechUK commissioned research indicates a potential 9 million hours saved per year for home buyers (representing 30 hours each⁶⁴) who use online solutions, instead of handling the process alone. This extrapolates to £25m in economic value to home buyers (net of the cost of using a technology-enabled service).⁶⁵ Already projects are underway to embed artificial intelligence, data mining and machine learning capabilities into conveyancing work, such as the Knowledge Transfer Partnership

project between My Home Move Ltd and the University of Liverpool.⁶⁶ For will-writing, LawtechUK commissioned research indicates digitally enabled will-writing could generate £19m in revenues per year by serving those who do not currently have a will and lead to consumer savings of £8m annually.⁶⁷ These numbers do not reflect the potential impact of further innovation in the consumer segment, which can extend the boundary of how we think about legal services and precipitate runaway market success.

“One of the key challenges affecting society that needs addressing is the property buying process - it can be a frustrating experience for the client and the right technology could really help, especially for the legal services aspects.”

**Paul Mosson,
Executive Director of Member Services and
Engagement, Law Society of Scotland**

39 LawtechUK commissioned research projects that startups and scaleups in consumer and SME segments will attract £109m investment per year by 2026 on a moderate scenario.⁶⁸ Legal businesses that

60 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

61 - *Wills And Probate Experts* (Farewill.com).

62 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

63 - ‘UK: share of homeowners 2007-2018’ (Statista, 2020).

64 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

65 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

66 - ‘Knowledge Transfer Partnership’ (ktponline.org.uk).

67 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

68 - Frontier Economics, ‘Economic Contribution Of Lawtech’ (LawtechUK).

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serve large enterprises can look to new pricing and delivery models to serve the SME community, and also to extend their pro bono activity portfolios by contributing to consumer and SME services outside their target markets by providing direct advice, collaborating with consumer/SME-focused lawtechs and academic partners to provide datasets, documents and expertise, and supporting initiatives like the Lawtech Sandbox and the Legal Access Challenge,⁶⁹ that in turn support these services. Through the [Lawtech Sandbox Pilot](#), Legal Utopia partnered with Travers Smith, obtaining 20,000 legal documents as part of an open source contract review feature, and another large lawtech vendor is considering a pro bono programme to support early stage public interest lawtech startups. Academic institutions also provide opportunities for collaboration and ways to support the sector through pro bono activity. LawtechUK worked with a consultancy team from UCL's MSci in Management Science to develop insights into barriers to lawtech adoption, and Queen Mary's pro bono clinic qLegal offers free advice to startups and entrepreneurs. There are also opportunities

for tech businesses to collaborate with the not-for-profit and third sector on deploying technology to deliver and scale their services. Citizen access to justice is outside the scope of this report.

Key takeaways:

- ➔ There is an £11.4bn per year market opportunity for lawtech and innovation to address the unmet legal needs of SMEs and consumers by providing accessible and affordable services, including projected savings from online conveyancing services of 9 million hours and £25m per year.
- ➔ As with fintech, reaching consumer markets through lawtech will accelerate the transformation of the sector overall.

⁶⁹ - '[Legal Access Challenge](#)' ([Legalaccesschallenge.org](#)).

3) Data

40 As a fundamental purpose of the legal services sector is to aid decision-making, managing and leveraging data is critical to the future success of the sector and the people it serves. Data helps organisations, clients and customers to make better decisions, improve efficiency and productivity, identify new revenue lines, reduce risk, and improve customer acquisition and market advantage. In a volatile world, a data-led approach to managing risk is increasingly important, for example data analysis can be used to assess the likelihood of litigation or detect compliance exposures. Realising this value will require changes to data collection and accessibility.

Improved risk management	<p>Solomonic Solomonic uses detailed court data and other forms of data to enhance litigation strategy and better assess risk and outcomes, for the benefit of lawyers, litigation funders and those involved in litigation.</p> <p>Tessian Tessian uses artificial intelligence, which leverages at least 12 months of an organisation’s historical email and network data, to analyse inbound emails in real-time and predict whether an incoming email is malicious, preventing compliance issues such as data breaches.</p> <p>Luminance Luminance enhances contractual reviews using artificial intelligence trained on vast datasets, increasing the speed at which potential risks can be identified, including during due diligence processes.</p>
Improved efficiency and productivity	<p>GoCardless By centralising and standardising incoming capacity requests, the in-house team at GoCardless collect structured data that enables them to gain insights into the number of requests received and the average capacity required for each type of request. This allows the legal team to forecast the business capacity demand and plan their headcount accordingly. It also enables them to identify opportunities where an automated process or solution can be deployed to maximise efficiency.</p>

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<p>Creation of new revenue lines</p>	<p>Kennedys Kennedys IQ used large volumes of data to develop and launch an AI-powered platform designed to accelerate and automate various elements of insurance claims processes. By deploying AI to analyse data from various external information sources, Kennedys IQ has been able to offer insurers a clear and accurate picture of live incidents quickly, and detect potentially fraudulent claims at the outset of the claims process.⁷⁰</p>
<p>Improved customer acquisition</p>	<p>Legal Utopia Legal Utopia, a lawtech company aiming to make law affordable and accessible, utilises the data it collects via its platform to help match legal needs to customer demographics and even predict the fluctuation of legal needs, enabling it to be targeted with its services and marketing.</p>

Data collection

41 Only a fifth of solicitors in England and Wales agree *‘their organisation captures data effectively so that it can be used by legal technology’*.⁷¹ Two recent judge-led inquiries into the experience of vulnerable people in the civil courts described a *‘data desert’* at the heart of the civil justice system.⁷²

42 The collection of quality data is critical to the transformation of legal and court services. Key to understanding data collection is the distinction between abstract or unstructured data, such as words in an

email, and structured data from which value can be immediately extracted. Transforming abstract, unstructured information into useful data takes time and resources, often requiring algorithmic processing and tagging systems, and specialist expertise.



Travers Smith developed and open sourced a data labelling and structuring platform, enabling businesses to prepare and pre-

process their own datasets for free. The platform, Etatonna, has been shared with a number of organisations.

“There is no doubt that using AI to unlock insights from historic contracts is of immense value to organisations all over the world. One of the main challenges to achieving this is the quality of the AI, which will only be improved with more data, higher quality data and expert labelling. As part of this, we wanted to decentralise and democratise access to the tools that enable businesses to



70 - ‘Kennedys, without the lawyers’ (Kennedysiq.com).

71 - Mari Sako, John Armour and Richard Parnham, ‘Lawtech Adoption And Training: Findings From A Survey Of Solicitors In England And Wales’ (University of Oxford, 2020).

72 - Natalie Byrom, ‘Justice Depends On Data - And The Pandemic Shows Why’ (Law Gazette, 2020).

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prepare and pre-process their own AI training datasets. To ensure the future of the services industry is not focused on a few large tech companies, we open sourced our Etatonna platform. We hope to encourage other law firms to refine their unstructured data, where expertise can then be combined for the benefit of our clients and the legal industry as a whole.”

**Shawn Curran,
Head of Legal Technology, Travers Smith**

43 Whilst methods that support processing legacy, unstructured data are becoming more sophisticated, reducing upfront investment and improving the quality of outputs, the future lies in putting in place better data collection practices at the outset with FAIR principles⁷³ in mind. As highlighted by Dr Natalie Byrom in her 2019 recommendations paper on HMCTS’ data strategy,⁷⁴ data collection ‘*should take place at the earliest possible opportunity in the user journey*’. Ensuring employees understand the value of data and how it can help them to solve business and

community problems is key to any successful implementation. This investment produces greater benefits for relatively less cost and effort, future-proofs business, systems and processes, and reduces ‘data leakage’.⁷⁵

“Historically a great deal of focus has been on publishing precedent setting or interesting decisions, while far less attention has been paid to the vast majority of decisions, documents and processes that have not been seen to be as ‘useful’. This is fundamentally a change in mindset but also one of rigour. Creating systematic, rigorous processes and systems, plus putting a small additional onus on parties and their advisors to update the Court, would allow for the meaningful generation of high value data and will also allow for much better resource planning by the Court services. The opportunities are substantial, including aiding in bringing London and the UK as a legal centre up to par with other jurisdictions where this data is already considered standard.”

**Edward Bird,
Managing Director, Solomonic**



Case studies

Data collections methods

**Amy McConnell,
Head of Legal Operations,
Vodafone Business**



Contract automation

“We employ automation and self-serve tools to efficiently generate sales contracts for the business and collect data. To initiate this automated process, we ask users to fill out a form so that the data can also be collected in a structured format and further analysed by the business. We also tailor the questions so that they are easily understood by our target users and enable them to provide accurate and relevant information. By doing so, we can ensure the quality of the contracts generated by the tool and realise the expected efficiency gains, freeing up our legal team’s capacity for more complex and



73 - GO FAIR initiative: FAIR Principles (Go-fair.org).

74 - Natalie Byrom, ‘Digital Justice: HMCTS Data Strategy And Delivering Access To Justice Report And Recommendations’ (2019).

75 - Juro, ‘Machine-readable contracts: A new paradigm for legal documentation’ (2019).

high-value work.”

Sara Collins,
Head of Legal Design, Norton Rose Fulbright



Matter management

“We are using existing tools to support the collection of structured data. Even with increasing alternatives to time-based billing, this includes time-recording software. By standardising the description format and language used by fee earners to record time spent on each task and phase across types of matters, we are able to capture structured data at the point it is generated. Analysis of this data can assist us with resourcing decisions increasing the fungibility of our lawyers across the network, personalising training needs, and identifying areas for change and introduction of technology.

We can also prompt team members to specify the type of tool used as part of the standardised descriptions, enabling us to compare the efficiency of innovative lawtech solutions and as against traditional delivery

methods, so as to promote further adoption.”

Ahmed Badr,
Chief Legal & Risk Officer, GoCardless



Work intake

“We centralised and standardised incoming work requests to our legal team, which enabled us to gather and report insights from structured data, thereby also improving our capacity forecast and headcount planning. To centralise these requests, we use a customised version of the ZenDesk portal and designed a number of different standard forms with which users are asked to make requests. These forms capture the types of requests made, and the specific parts of the business from which they originate, in a structured format that is well-prepared for further analysis by the legal team.”

Digital documents

44 Changing the way documents are created, edited and stored will facilitate data capture and analysis. Contracts

are the bedrock to trade and commerce, yet after thousands of years they are still predominantly created, executed and managed in paper form. World Commerce & Contracting estimated that organisations are missing out on 9% of revenue each year due to poor contract management.⁷⁶ Technology is enabling documents to be drafted in a way that can be read by machines and humans, so that contract data can be stored and transmitted in a form that a computer can immediately process. This will enable the public and private sector to realise a wide range of benefits spanning productivity, accuracy, transparency and risk management, including across borders.

“One of our latest studies has confirmed that digitisation of the contracting lifecycle is a growing priority, with 68% citing it as medium to high urgency. The shift to a focus on digitisation (rather than automation) is an important one because it reflects the appreciation that a critical aspect of contracting is the need for consolidation of data and data flows.

It is because of the recognition of the critical role that contracts can play in

76 - Tim Cummins, 'Poor Contract Management Costs Companies 9%' (Blog.iaccm.com, 2012).

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modern economies but also the fundamental weaknesses that exist in contracting today, that the EU Commission launched a study 'Modelling the EU Economy as an Ecosystem of Contracts' and this study demonstrates that through the intersection of a relational approach to and digitisation of contracting that we can actually create an environment for relational economies measured as ecosystems of contracts.

These are exciting and transformational times and through these changes, with digitisation at the heart, we can start to create truly impactful outcomes and the walls between those who create contracts and those who live with them will crumble."

Sally Guyer,
Global CEO, World Commerce & Contracting

45 As part of the Lawtech Sandbox, the UK [Legal Schema](#) was developed as an open source initiative to develop a universal common language for creating and managing legal documents as data. This was an instrumental step towards building the technical foundation for the development and adoption of interactive digital documents. Open standards and

frameworks like this initiative will continue to be critical to accelerating the use of digital documents and data collaboration.



Digital Trade

International trade is worth £1.153tr to the UK economy⁷⁷ but is rife with legal inefficiency, requiring billions of paper documents, which are not an effective way of working during international crises. Each international trade transaction typically involves 20 entities and between 10 and 20 paper documents, totalling over 100 pages.⁷⁸ Moving to digital documents that produce data and enable efficient, secure, transparent processing will transform the future efficiency of international trade and business.

"Electronic documents have the potential to make global trade more efficient, cheaper and more secure. Until the law catches up with the relevant technology, however, these benefits – worth billions every year – will not be realised. Our proposals would bring the law and global trade into the 21st century,

generating benefits on an international scale."

Professor Sarah Green,
Law Commissioner for Commercial and Common Law, Law Commission of England and Wales, and LawtechUK Panel member

46 The benefits of digital documents can be extended by the incorporation of self-executing smart contract code that automates specified actions within a document, creating a smart contract. Smart contracts transform documents into a live digital tool that connects to real world events and responds to them in real time. This has numerous benefits, including increasing efficiency and certainty, capturing valuable data, minimising human error, enabling automatic reporting and monitoring post-agreement. Smart contracts can (but need not) be integrated with distributed ledger technology.

47 Smart contracts and digital assets introduce a new paradigm in commercial relationships. In recognition of the future importance of smart contracts, the UK

77 - 'UK Trade: December 2020' (Office for National Statistics, 2021).

78 - Law Commission, 'Digital Assets: Electronic Trade Documents' (2021).

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Jurisdiction Taskforce (UKJT) of the LawtechUK Panel issued the [Legal Statement on Cryptoassets and Smart Contracts](#)⁷⁹ and published the [Digital Dispute Resolution Rules](#)⁸⁰ to help resolve disputes that may arise in the context of nascent technologies (although the Rules are also of wider utility). The Law Commission is currently reviewing the law around electronic trade documents, smart contracts and digital assets.



DLT Co. platform

The DLT Co. platform is a ground-breaking initiative developed by a consortium of Herbert Smith Freehills, Data61 and IBM to build a smart contract platform. The project incorporates input from ~300 clients globally and is focused on addressing business needs around automating contract functionality, joining up contract elements with internal and external processes and compliance requirements, and improving control and

transparency through data. The ethos is for a tailored approach, empowering organisations to automate as many or as few contract-related processes as makes sense for their operations.

“Technologies like smart contracts and blockchain are set to transform the legal industry and wider business landscape as we know it now. Our clients are enthusiastic about the potential to move away from paper-based systems and to experience the deep legal and practical benefits of using smart contracts, without losing control over a contract at any point in its lifecycle. Almost every contract can have smart contract elements that improve its functionality. Developing a digital infrastructure that provides a single source of truth - as well as a product with integrity that is easy to use - is vital to enable the mainstream use of smart contracts.”

Natasha Blycha,
Global Head of Digital Law, Herbert Smith Freehills

48 Smart contracts continue to receive significant attention across a broad range of industry sectors but uptake is small and largely siloed, nationally and globally. Concerted effort is required to bring smart contracts and their benefits into the mainstream, with trillions of smart contracts predicted annually in the future.⁸¹ By building on the work of the UKJT and the Law Commission, and initiatives such as the [Legal Schema](#) and sector-driven projects such as the DLT Co. platform, the UK has the opportunity to be the global leader in the smart contracts and digital assets space.

Data accessibility

49 The UK’s ambition as expressed in the National Data Strategy⁸² is to harness the power of data to boost productivity, create new businesses and jobs, improve public services and position the UK in the vanguard of the next wave of innovation. The accessibility of data through open access or data sharing⁸³ is a key pillar of that strategy. There are vast sources of legal data across industry and the public sector, from contractual terms to court judgments

79 - ‘[Legal Statement on Cryptoassets and Smart Contracts](#)’ (Lawtechuk.io).

80 - ‘[Digital Dispute Resolution Rules](#)’ (Lawtechuk.io).

81 - Sir Geoffrey Vos, ‘[Cryptoassets As Property: How Can English Law Boost The Confidence Of Would-Be Parties To Smart Legal Contracts?](#)’ (Joint Northern Chancery Bar Association and University of Liverpool, 2019).

82 - Department for Digital, Culture, Media & Sport, ‘[National Data Strategy](#)’ (2020).

83 - ‘[The Data Spectrum](#)’ (Theodi.org).

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and administrative information. If these, or certain elements of them, were open, accessible or shared (with appropriate governance), they would expedite the development of new ideas, insights, capabilities, products and services, unlocking the outcomes set out in the National Data Strategy.

50 There are, however, a number of barriers to improving access - some real and some perceived, including cultural, legal, financial and in some cases, a lack of incentive or ability to quantify the benefits. Overcoming these barriers will require leadership, time and collective effort to build the infrastructure, standards and motivation for organisations to confidently share and improve access to data. We see a key role for organisations like LawtechUK working across stakeholders, building trust, addressing impediments and encouraging the coordinated development and adoption of infrastructure and standards.

LAWTECH UK

Bilateral data sharing - or data matchmaking - is a successful element of the [Lawtech Sandbox Pilot](#), which has enabled lawtech businesses to access valuable data from a range of private and public sources, accelerating innovation, development and business growth, upskilling participating organisations and ensuring greater product market fit. Informed by the experiences of the [Lawtech Sandbox Pilot](#), the LawtechUK [data sharing toolkit](#) was developed in collaboration with the Open Data Institute and includes a template data sharing agreement and sets trusted standards on which a data holder and data requester can share legal data.

51 Next-generation technologies will increasingly transform access to and sharing of data and data collaboration. As technology continues to advance, common approaches will involve new ways to govern data access. The ICO's Code of Practice for data sharing is a great example of this.⁸⁴ Collective effort from organisations,

government and regulators is needed to establish these common approaches, governance and standards to enable responsible, secure and equitable access to data and unlock its benefits as technology evolves.

LAWTECH UK

Multiparty data sharing pilot

At LawtechUK we have a multiparty proof of concept underway with ReguAlition's data sharing infrastructure, the AIR Platform. The proof of concept carried out with a number of law firms, in-house teams and regulators enables the compliant sharing of data insights using privacy enhancing techniques, and without data having to leave its host's secure premises.

"This proof of concept has challenged us to think differently about the data we hold. It has prompted important conversations with senior stakeholders about what is required to

84 - Information Commissioner's Office, '[Data sharing: a code of practice](#)' (2020).

fully understand the application of emerging technologies, both in the abstract and how they are applied to a targeted use case.

The two biggest challenges for us will be agreeing industry standards to facilitate the sharing of insights and industry acceptance that it is possible to share insights while preserving client confidentiality. Working with our clients, regulators and peers on this project has been fantastic and we look forward to the next phase where we will be attempting to quantify the tangible value of sharing insights from legal data. If we can get this right, the potential opportunities for our clients, the legal sector and wider society are almost immeasurable.”

Jeremy Coleman,
Head of Innovation, Norton Rose Fulbright

“We are proud to be involved with the LawtechUK data proof of concept. Redacting contracts in the context of analytics is a major time-consuming exercise for the legal industry. The AIR Platform removes this painful exercise altogether. I

am excited to see what the industry will do with the world of possibilities this opens up.”

Sally Sfeir-Tait,
CEO, RegulAltion

52 As the financial sector has demonstrated with Open Banking, to maximise value from data, it needs to be as open, standardised and accessible as possible, whilst preserving privacy and trust. Open data, open culture, open standards, open source and collaborative models build trust, reduce cost and create more value than other approaches.⁸⁵



Open Banking case study

Introduced following a Competition and Markets Authority order concerning the UK retail banking market in 2017,⁸⁶ Open Banking is an ecosystem based on common standards that enable users to authorise a regulated third party to connect to their banking providers and access their financial data. This in turn allows users to access a wide range of services that improve their financial decision-making and offer them convenient access to advice and guidance. It also allows users to switch banking providers more easily and promotes competition among providers.

300 fintechs have joined the Open Banking ecosystem in three years and 2.5 million consumers and businesses now use open banking products for their finances.⁸⁷ 50% of businesses, historically slow to change their current account providers owing to the cumbersome process involved, now use Open →

85 - The Open Data Institute, 'Principles for strengthening our data infrastructure' (2016).

86 - Competition and Markets Authority, 'Retail Banking Market Investigation Order 2017' (2017).

87 - Open Banking, 'Three Years Since PSD2 Marked The Start Of Open Banking, The UK Has Built A World-Leading Ecosystem' (Openbanking.org.uk, 2021).

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Banking providers, with almost three-in-five starting to use these services in the past six months.⁸⁸

Research has shown that Open Banking could unlock over £1bn in additional UK GDP annually, supporting approximately 17,000 new jobs for the UK economy.⁸⁹

53 Advancements in open data can also be achieved through collaborative industry activity, such as ImageNet for use in visual object recognition software research,⁹⁰ where an annual challenge results in ongoing production of a dataset amounting to over 1.2m images for training, or the Atticus Project in the US, where a collective of lawyers has labeled and open-sourced 510 commercial contracts with 13,000+ labels for AI-training purposes.⁹¹

“A lack of data sharing is connected to multiple key issues that prevent a real market for legal services from developing, and slow improvements to the legal services

sector as a whole. For example, there is little sharing about what most commercial legal work should cost and there is no common lexicon for describing legal matters. Without this objectivity, the value of technology is undermined. We are only at the very beginning of the journey to address these issues, but organisations such as the SALI Alliance, the Changing Legal think tank and LawtechUK are trying to help change things for the better, along with others around the world.”

Richard Tromans,
Founder, Artificial Lawyer and Tromans Consulting, and Chair of the Changing Legal think tank

54 Investing in Open Legal along similar lines to Open Banking would bring a step change in data structuring, access, portability and use, and progress towards shared sector goals in the service of business, society and the economy.

“Open Banking has been a driver for change in financial services and enabled new services and business models, such as the aggregators who help facilitate the interfaces. Open Legal is a brilliant concept that would help create new industries and opportunities. Access to data is critical for innovation and will enable entrepreneurs to develop products we haven’t even thought of today - that means in-house lawyers and law firms too, not just tech companies. The legal sector blows my mind, in terms of how many businesses can exist with such high margins and how much in-house lawyers still rely on external firms - there is a lot of opportunity for disruption.”

Tom Wilson,
Partner, Seedcamp

88 - 'Adapting To Survive: UK'S Small Businesses Leverage Open Banking As Part Of Their COVID-19 Crisis Recovery' (Openbanking.org.uk, 2020).

89 - Trustpilot, 'Open Banking Expected To Contribute Over £1 Billion Annually To UK Economy Supporting 17,000 New Jobs' (2018).

90 - ImageNet (image-net.org, 2021).

91 - The Atticus Project (Atticusprojectai.org).

Key takeaways:

- ➔ Embracing and utilising data is critical to the future success of the sector and the people it serves. All within the sector need to work to improve how data is collected and made accessible.
- ➔ Collective effort from organisations, government and regulators is needed to establish common approaches, governance and standards to enable responsible, secure and equitable access to data and unlock its benefits.
- ➔ Investing in Open Legal along similar lines to Open Banking will bring a step change in data structuring, access, portability and use, towards shared sector goals in the service of business, society and the economy.

4) Connectivity

55 The UK is a centre for lawtech, with innovators and tech-trailblazers driving changes that are reshaping legal services delivery across the sector and the UK.

56 The lawtech ecosystem is developing rapidly with regional technology and innovation clusters such as Bristol+BathLegalTech, LawscotTech, and the Legal Innovation Centre

at Ulster University, and communities such as Legal Geek and Remote Courts Worldwide.

57 Collaborations and partnerships within the legal sector around technology are also increasing, including Yorkshire firm Minster Law working with the lawtech Nuvalaw and an insurance firm to develop a road traffic accident claims portal, and Weightmans, the

University of Liverpool and lawtech vendor Kira Systems working together to develop AI-powered case handling.

Legal Innovation Centre at Ulster University	LawscotTech
<p>Established in 2016 with funding from Allen & Overy, Baker McKenzie and Invest Northern Ireland, the Legal Innovation Centre at Ulster University brings together the academic community, the legal industry and public sector in collaborative research projects to improve legal services delivery and access to justice.</p> <p>Its ongoing projects include working with the Employment Law Clinic at Ulster University to streamline case management and automate client services.</p>	<p>Launched in 2018, LawscotTech is an initiative by the Law Society of Scotland to build a community of technologists, academia and stakeholders to transform the legal sector by accelerating legaltech innovation.</p> <p>In working with its members and community, LawscotTech is seeking to create a more efficient due diligence and compliance process for lawtech procurement by law firms, to streamline the currently cumbersome and time consuming process.</p>

Priority focus areas

Remote Courts Worldwide	Bristol+BathLegalTech
<p>Remote Courts Worldwide, a collaboration between LawtechUK, the Society for Computers and Law and HMCTS, was launched in the wake of Covid-19 to help the justice community around the world come together and share experiences and learning on remote alternatives to traditional court hearings.</p>	<p>Bristol+BathLegalTech was conceived in 2019 as a forum for the region’s burgeoning lawtech community to come together to network, learn and collaborate. It is supported by the Bristol Law Society and the West of England Combined Authority. Together with a number of legal services and tech businesses, it recently drove the region’s Legal Tech Report 2021.⁹² Research from the report identified the region as a top lawtech cluster, building on an exceptional legal and tech talent pool fed by the region’s universities, and one of the largest legal services concentrations outside London.</p>
Barclays LawTech Eagle Lab	
<p>The Barclays LawTech Eagle Labs was established to bridge the gap between tech companies and the businesses whose models they sought to transform. The Lab partners with a range of law firms, the Law Society, the Barclays in-house legal team, universities and other collaborators. Now based in Shoreditch and having introduced a virtual membership to welcome non-London-based startups, it has established itself as home to a growing number of lawtech businesses who are developing innovative products and services to make the industry more efficient and accessible.</p>	

58 Although London has emerged as the lawtech superhub, with London-headquartered startups and scaleups accounting for two-thirds of all lawtech companies and London-headquartered law firms accounting for a third of all law firms in England and Wales,⁹³ lawtech clusters are developing across the UK, including in Bristol, Leeds, Liverpool, Swansea, Manchester, Ulster and Edinburgh. Start/scaleup investment is concentrated in Wales (£47m),

the East Midlands (£29m) and the East of England (£16m), and incorporation activity is focused in the South East of England (12 companies), the North of England (13 companies) and Scotland (8 companies).

“Each cluster or region can build on its strength by being clear about what it has to offer, and thereby contributing to the UK as a whole. That said there also needs to be

ambition, we should go further than what we are currently good at - particularly when it comes to inclusivity, responsible use of tech and the environment.”

Dagmar Steffens,
Head of Innovation and Sector Development,
West of England Combined Authority

59 The combination of a region’s legal sector size, digital tech capability and

⁹² - Whitecap consulting, ‘Bristol & Bath LegalTech 2021’ (2021).

⁹³ - The Law Society, ‘Trends in the solicitors’ profession Annual Statistics Report 2019’ (2020).

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graduate talent are key factors for lawtech and innovation to thrive.⁹⁴ Each region has its own strengths and local culture that give it a unique capability that can be maximised, such as Bristol's strong sense of societal purpose, lending well towards access to justice innovation,⁹⁵ or Liverpool's focus on SMEs, supporting take-up of new technologies through Knowledge Transfer Partnership projects with local law firms.

“At the University of Liverpool we have in recent years undertaken three Innovate UK-funded Knowledge Transfer Partnership projects with companies operating in the legal field. These projects have brought multiple benefits to the project partners. The companies have been able to take advantage of cutting-edge research knowledge that has not yet been transformed into commercial solutions and thus develop the innovation strands of their business. The academic partner has been able demonstrate how research results can be directly applied to significant real-world problems. The visibility of these projects has helped to showcase the benefits of such collaborations, growing local networks for sharing experiences and best practices, as

well as generating interest from further local companies eager to investigate new avenues for exploring the benefits that lawtech can bring to them.”

**Professor Katie Atkinson,
Dean of the School of Electrical Engineering,
Electronics and Computer Science,
University of Liverpool, and LawtechUK
Panel member**

60 The abundance of regional initiatives, programmes and clusters demonstrates the activation and demand, but their activity can be dispersed or siloed, leading to duplication of effort and lack of connectivity between clusters, making it harder to engage with and scale great initiatives. Easy access to information, expertise and investment for all are fundamental to a thriving technology ecosystem, with the recent Kalifa Fintech Review⁹⁶ finding that better connectivity within the fintech sector has the potential to uplift GVA by 60%, between £2.4 and £3bn, and create a 50% increase in fintech jobs. Connectivity is also a powerful tool for strengthening diversity.



The Kalifa Fintech Review defines connectivity as easy access to information, investment, skills and talent, and policy and regulatory expertise. It also means proximity to and support from established companies and technology businesses, academia, accelerators, and commercial partners.⁹⁷

61 The opportunities highlighted in the Kalifa Review can be extrapolated to lawtech. Promoting connectivity and encouraging collaboration across the lawtech ecosystem in all parts of the UK will help an even stronger, world-leading landscape to flourish. Broader sector challenges can be identified and addressed more quickly, and comprehensively, and have a more enduring effect if addressed collectively.

“Investment in people and technology is an important part of progress but we also think that collaboration is key. Clients, firms and others need to come together to solve the

94 - Whitecap consulting, 'Bristol & Bath LegalTech 2021' (2021).

95 - Whitecap consulting, 'Leeds City Region Legal Tech Innovation 2020' (2020).

96 - Ron Kalifa OBE, 'The Kalifa Review Of UK Fintech' (HM Treasury, 2021).

97 - Ron Kalifa OBE, 'The Kalifa Review Of UK Fintech' (HM Treasury, 2021).

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real challenges facing our industry. We can work to solve some of our own challenges and those of our clients but wider progress will only happen when many of us come to the table.”

April Brousseau,
Director, Research & Development,
Clifford Chance

62 Improvements in digital capabilities and the remote or hybrid working environment necessitated by Covid-19 restrictions have facilitated connectivity. With location less of a factor, the proportion of people who consider engaging a legal professional anywhere in the country is now at 59%, compared with 46% in 2019⁹⁸ and this opens up opportunities also for diversity in hiring, where talent can be accessed across the UK.

63 Bodies like LawtechUK will play a vital role in encouraging and enabling collaboration and connectivity. The Lawtech Sandbox successfully delivered positive outcomes for participants through LawtechUK facilitating direct access to networks, data and experts, and encouraging collaborations between startups and industry. Positive outcomes for participants included doubling the

speed of development cycles, fueling team expansion, and collaborators were able to get close to the technology, test and inform its application and build new commercial relationships.

“People often characterise the legal sector as where collaboration doesn’t happen, but if you give people a legitimate safe space, the fear of over-collaboration goes away, and that’s what the Lawtech Sandbox has to offer.”

Sophia Adams Bhatti,
Head of Strategy and Policy, Simmons
Wavelength

64 A coordinated national and cross-sector effort would connect sector activity, unlock equitable access to expertise, sales and investment and encourage openly accessible information and data in a way that is easy to navigate. As collaboration continues, it will become increasingly important to share practicalities and lessons learned, fueling greater connectivity and creating further opportunities to tackle the challenges we face in law, now and in future.

“What is needed is more collaboration between law firms and lawtech companies. Lawtechs need access to documents and to their potential user base. Law firms need products that address their needs and work across solutions to establish end-to-end processes, for example integration between Avvokka and Imanage RAVN to populate templates from stored agreements against bespoke data points, or enabling lawyers to populate conditions precedents in Legatics direct from Word. Everyone, investors included, need shorter sales cycles. Collaboration will move all of this forward and is a big thing for us at FUSE.”

Shruti Ajitsaria,
Head of Fuse, Allen & Overy

“We have had some great successes working hand in glove with law firms on lawtech projects. For example, a knowledge sharing platform we built with Osborne Clarke using HighQ, has enabled lawyers from different teams across Vodafone to learn the ins and outs of our highly regulated products, and another to manage our property portfolio is so valued that it is now used by a whole range of professionals – surveyors, agents,

⁹⁸ - IRN Research, 'UK Legal Services Market Report 2021' (2021).

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lawyers etc – engaged on our property portfolio matters.”

Rosemary Martin,
Group General Counsel and Company Secretary, Vodafone Group Plc, and LawtechUK Panel member

LAWTECH UK

Data Commons for Lawtech⁹⁹

The Data Commons for Lawtech is an interactive, openly accessible, national database providing key information about UK lawtech startups and scaleups, including founder and investor information, job opportunities, firm valuations and latest news. Developed by Tech Nation, in collaboration with Dealroom, Data Commons for Lawtech is an iteration of the highly popular Data Commons for UK Tech. [The Data Commons for Lawtech](#) forms part of the [LawtechUK Hub](#).¹⁰⁰

⁹⁹ - [Data Commons for Lawtech](#) ([Lawtechuk.io](#)).
¹⁰⁰ - [Lawtechuk Hub](#) ([Lawtechuk.io](#)).

Key takeaways:

- ➔ Collaboration is key to ensuring technology-enabled legal and court services meet the needs of customers.
- ➔ Sector challenges can be surmounted more quickly and have a more enduring effect if we can tackle them collectively.
- ➔ Promoting connectivity across the UK will enable the lawtech market to thrive and leverage regional strengths.

5) Technology awareness and capability

65 The legal sector needs new skills and capabilities in order to deliver future-fit legal and court services that compete on the global stage. Law firms, legal teams, lawtech companies and those in the justice community are evaluating their current balance of skills around technology and considering both the need to upskill legal professionals and hire critical digital and operational roles to fill the gap. Universities are developing courses that bring together law and technology. We are seeing more online courses for legal professionals in technology and innovation. However, there is still a critical lack of digital skills. We need to re-evaluate legal education for people entering the profession, professional development and training to level up the technical capability of experienced professionals, and strategies to attract top-quality technologists, data scientists and related professions into the legal sector.

“It is remarkable that legal basic training has changed little in the 45 years since I

read law at university. Lawyers now need to understand technology, not so as to become computer coding experts, but so as to be able to address modern legal issues, like resolving a dispute arising from a transaction on the blockchain that some argue will not require any legal foundation at all... People are going to need legal advice more than ever in a more complex, technologically enabled world. The challenge for the lawyers here is to stay ahead of the game - and for the judges...”

**Sir Geoffrey Vos,
Master of the Rolls and LawtechUK Panel member**

Digital skills for legal professionals

66 Legal education is traditionally about how to ‘do law’ and does not cover business or technology skills. Legal professionals themselves now identify the need to receive training in data analytics, innovation techniques, design thinking, legal and ethical

issues raised by the use of technology, and business-specific technology applications.¹⁰¹

“Data shows us that innovation in industry happens because of personal bravery and it gets embedded because of safety - genuine safety to challenge the status quo. You can build environments to support that and encourage a wide range of learning. Learning enables people to ‘span’ outside their innovation boundaries, increase their ‘absorptive capacity’ and their ability to knit different thoughts, ideas and people together. It lights a creative spark across a team. For example, why don’t we have trainees and more experienced lawyers spend dedicated time with the Finance, Innovation or IT team - exposing them to a broad range of perspectives? As the customer, it is the GC who gives law firms and ALSPs the licence and the driver to invest and develop in this way; it sits as a fundamental part of delivering value.”

**Rob Booth,
Head of Marine Assets, The Crown Estate**

¹⁰¹ - Mari Sako, John Armour and Richard Parnham, ‘Lawtech Adoption And Training: Findings From A Survey Of Solicitors In England And Wales’ (University of Oxford 2020).

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67 No longer a nice-to-have, these skills are essential to properly understand and serve clients, keep track of the changing context of the law, engage with increasingly digitised infrastructure, and meet market and business driven demand for better, relevant and more efficient services.¹⁰² Gone are the days when being a technophobe lawyer or leader can be met with acceptance or humour.

“Expectations across legal practice have changed. Skills and a robust people strategy are key. From basic technical literacy, through to process optimisation, programme management, financial acumen and leadership - these are all skills that our business colleagues and wider stakeholders now demand. Legal teams that can solve service issues around cost, quality or delivery using process mapping, problem solving or design thinking techniques, will be the ones who make sure the underlying issues are actually addressed and who get business buy-in for tech adoption. At LEx360, we help leaders to challenge legacy behaviors and mindsets and find clients enjoy learning the range of new skills in immersive settings, be it a hands-on workshop or live case study environment, often side-by-side with

business colleagues and their supply chain.”

Mo Zain Ajaz,
Founder, LEx360

68 There is a wide choice of educational institutions and commercial organisations offering courses in technology and innovation claiming to address this gap. Well-resourced law firms and legal departments are developing their own training. Multidisciplinary university courses, such as those at London South Bank University, Ulster University and University of Oxford, integrate technology with law, or co-teach law and computer science students, helping them to develop blended skills, as well as the substantive knowledge required for cross-disciplinary working. Collaborations such as those between DWF and the University of Manchester where law students attend a two-week design sprint placement, working on client projects, help to develop and embed critical skills such as design thinking at an early stage of a student's career.



Some of the university courses integrating technology and law



University of Edinburgh LLM in Innovation, Technology and the Law explores the law's role in regulating and promoting emerging technologies, including ethical and regulatory implications.



London South Bank University LLB (Hons) Law with an optional module in Law & Technology, has teams of law and computer science students working together to develop lawtech access to justice resources.



University of Oxford course in Law and Computer Science, jointly offered by the Law Faculty and Department of Computer Science, has students attend joint lectures and work in multidisciplinary teams on a practical project.



¹⁰² - 'Client experience' and 'operational efficiencies' are consistently cited as key drivers for adoption. See: PwC, '[Resilience through change: PwC Law Firms' Survey 2018](#)' (2018).



Swansea University LLM in LegalTech, has students explore how technologies such as AI and DLT impact legal services and develop their own lawtech tools and solutions.



Ulster University Legal Innovation Centre LLM/MSc in Corporate Law and Computing, offers an interdisciplinary programme through the School of Law and the School of Computing, Engineering and Intelligent Systems, exploring the fundamentals of corporate law and computing, also with the option of work placements in firms like Citi, Allen & Overy and Baker McKenzie.



University of Liverpool Law School LLB covers ‘AI and the Future of Legal Services’, which spans legal theory and technology, ethical and societal issues of lawtech, and hands-on practical experience of using lawtech software in collaboration with industrial partners such as IBM.

“The integration of law and computer science into one programme allows students to approach problem solving and learning in ways either course of study does not offer. It teaches students different ways to respond to new and emerging issues.”

Mark Potkewitz,
Director, Legal Innovation Centre,
Ulster University

“This blended classroom demystifies different ways of working, giving students the confidence and agility to work in multidisciplinary teams when they join a firm.”

Jane Hollway,
Director, Legal Innovation Centre,
Ulster University

69 New professional qualifications are also emerging, such as the Accredited Legal Technologist status developed by the Law Society of Scotland.¹⁰³

“There is a need to do more to show students the importance of lawtech. Too often students are operating on an image of the profession that is five years out of date and there is a responsibility to prepare current students for a sector that will look markedly different when they enter it.”

Andy Unger,
Associate Professor and Head of the Law
Division, London South Bank University

70 There are opportunities to gain technological competency at all stages of a legal career, from undergraduates¹⁰⁴ to experienced professionals. Continuous learning all the way through a career is the only way to keep up with our fast-moving world, where the skills required today may well be vastly different to those needed five or ten years from now. This approach to ongoing digital skills development builds on existing professional requirements for continuing practice development, also helping build intellectual curiosity and challenge outmoded views of the profession.

103 - ‘Law Society launches new accreditation for legal technologists’ (Lawscot.org.uk).

104 - Chris Ireland and Ryan Hockley, ‘A call for introducing LegalTech in the classroom’ (2020) 36 CLSRev.

“Empowering lawyers to do things differently and dispelling misconceptions about the practicality of lawtech means giving legal professionals real hands-on experiences. Lawtech vendors must also show the real incentives for adoption. The best way to do this is to have legal services providers and their clients getting stuck in with the tech. With the Avvoka Academy and Lab, we’ve given legal professionals free, interactive training using legal automation technologies. These initiatives have helped us to cultivate a strong, supportive learning community of both seasoned lawyers and law students, who want to be the tech-enabled lawyers of tomorrow.”

Giles Thompson,
Head of Growth, Avvoka

71 This starts with all legal professionals across the UK, whatever their specialism, client base or location, achieving a solid baseline of technological literacy. This does not mean they need to learn to code. It means understanding the basics - the core types of technologies and systems relevant

to their work, how to use them and the legal issues they raise. This base knowledge can then be built upon in a layered way, by adding new skills and capabilities that support wholesale transformation, taught in a practical, hands-on way.

LAWTECH UK

Technology awareness, like commercial awareness, is an essential skill needed by legal professionals to understand and serve clients today. LawtechUK has developed six bitesize courses for legal professionals on the key technologies that are shaping the future of law: data, artificial intelligence, automation, smart contracts, distributed ledger technology, and cloud computing. You can find the courses on the [LawtechUK Hub](#).¹⁰⁵

“We see tech and innovation capability as critical to the value creation we bring as a legal team. One way we have invested in this is by training our lawyers in design thinking, to help them look afresh at legal processes and consider how to deploy technology, to deliver better and faster for

our internal clients. We have now trained around 400 legal professionals, tailoring a wider Accenture programme specially for them. Alongside this we have an innovation programme where the team bring practical challenges from their work internationally and learn tools and processes to run successful experiments to address them - skills you don’t immediately think about for lawyers, but which have resulted not only in automation, tech applications, and new ways of working, but which make the job more enjoyable, unlock baked-in mindsets and create a virtuous circle of creative thinking across the department and wider business. We find more conversations starting with ‘what if’ and see the process of learning itself as so important - equal to short term outcomes.”

Christina Demetriades,
General Counsel EMEA, Accenture

72 Universities, academic law schools and computing departments, legal businesses and legal departments all play an important role in preparing legal professionals at all stages of their career to be future-

105- [LawtechUK Hub](#) (Lawtechuk.io).

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ready, equipped to deliver world-leading legal services alongside other specialists. Together, also with legal services regulators, we can collectively re-evaluate what legal professionals are trained to become, and how they are trained.

“Covid has forced legal practices to go right back to basics and focus on the client experience and making sure they can operate digitally. Practitioners need digital skills to enable that. Those skills are already in all the syllabuses in some Scottish universities and they are increasingly critical for modern day competence - we are evaluating how we meet this need for the future. Our Legal Technologist specialist accreditation enables global recognition for those who are leading the way in their practices and businesses. What is important is that lawyers capitalise on the digital momentum created by lockdown and keep digitally-enabled client service and their own digital capability at the forefront - not slipping back to old ways when the pressure of the pandemic eases.”

Paul Mosson,
Executive Director of Member Services and Engagement, Law Society of Scotland

Increasing tech and innovation talent

73 To take advantage of the opportunities of innovation and build future-fit legal and court services, there needs to be a greater balance of skills across the sector: people who can evaluate and map processes, relate technology to business outcomes and provide strategy and leadership for technology-enabled change, as well as people with technical skills, such as software engineering, data analytics and product management, to problem-solve and deliver on objectives. It will soon not be possible to meet organisational and client requirements without this expertise. Law firms, legal teams, lawtech companies and those in the justice community are evaluating their current balance of skills around technology. They are upskilling and hiring. The movement is towards embedding technology within business strategy and operations.

“Delivery of excellent client experience requires a wide range of disciplines, working as part of the same team. We need more than just technical legal experts but legal engineers, data analysts and disruptive thinkers from industries who

have experienced similar changes to those the legal sector is now facing. The key is communication across disciplines and an awareness of the boundaries to your own expertise and efficiencies - the ability to identify who is needed and where to find them.”

Justin North,
Managing Director, Morae Global Corporation

74 The demand for digital roles is increasing rapidly both inside and outside the legal sector. The UK labour market saw a 36% increase in employer demand for digital tech roles in a three month period during 2020.¹⁰⁶ LawtechUK commissioned research estimates that employment in lawtech companies and in digital roles in legal businesses could rise to up to 15,000 by 2026, from 5,600 today.¹⁰⁷ Legal businesses are hiring dedicated digital and innovation expertise¹⁰⁸ and legal departments project replacing 20% of generalist lawyers with people without a traditional legal qualification by 2024.

106 - Tech Nation, 'Jobs And Skills Report' (2020).

107 - Frontier Economics, 'Economic Contribution Of Lawtech' (LawtechUK).

108 - PwC, 'Resilience through change: PwC Law Firms' Survey 2018' (2018).

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“In the UK, you can find great tech talent, but the price is high. For big data and NLP there are fewer specialists in the market and lawtech businesses have to compete with businesses in other sectors, with salaries becoming increasingly inflated. We need to be able to tell the story about why these problems in law are exciting and worth solving versus going to work for, say, a fintech, and encourage more people to come into the market and also get trained up.”

Andrew Thornton,
CEO, Sparqa

75 Legal operations roles are experiencing particularly high demand, demonstrating their increased value to legal service provision, with 58% of legal departments hiring in legal operations in 2020, versus 34% in 2018.¹⁰⁹ A critical mass of digital roles and capacity over the next five years will stimulate further awareness and lawtech adoption, build sophistication in measuring ROI, and help move technology from fringe benefits in efficiency to the heart of organisational strategy and service delivery. A number of smaller firms are making similar resourcing adjustments, but others will need

to consider new, perhaps shared, models for resourcing digital expertise.

“The maturity of the market offers endless opportunities right now. Legal operations translates those opportunities into reality inside organisations. As specialists, we know what we need and what is possible technically so we can move beyond the politeness and surface presentation that external providers such as law firms fall into. We are looking for specific value, for example to realise the benefits from AI, law firms can leverage their scale to inform the tooling through data and bring that back to us in functionality. We can all learn faster if we share mistakes and successes. This is something the legal operations community does very well and which supports its growth - you rarely find that transparency in external providers, there’s too much time spent trying to convince clients it’s magic.”

Helen Lowe,
Head of Legal Operations, easyJet

76 With almost half of businesses fishing in the same pool for talent,¹¹⁰ attracting, employing and retaining excellent

technologists and other digital specialists is crucial for the growth of lawtech and for the legal sector to meet customer needs. Alongside access to capital to compete for the best talent, there is a need to draw attention to the many compelling technological challenges and opportunities in the legal sector and change perceptions of what working in law means going forward. As part of this, organisations can highlight role models and reconsider outmoded organisational structures and inflexible working environments, making the sector more attractive overall. The Global Talent visa programme can contribute to the talent pool, attracting talent from around the world to innovate in a jurisdiction that is leading the world in technology and law.



Name: Anishka Prasad
Nationality: New Zealander
Year of visa approval: 2020

‘Lawtech startups are known to thrive with the robust support given by the UK economy. My startup RESOLV is a lawtech, which meant that it was a natural choice for me to pick the UK to set up and test my proof of concept. →

¹⁰⁹ - Gartner, ‘5 Legal Technology Trends Changing In-House Legal Departments’ (2021).
¹¹⁰ - Confederation of British Industry, ‘Delivering Skills for the New Economy’ (2019).

Along with a supportive ecosystem for early stage startups, the UK government also has very encouraging schemes such as SEIS and EIS to encourage the entrepreneurial talent in the country and give innovative thinkers the platform they deserve to explore their ideas and commercialise.’

77 The diversity of expertise and roles brings the opportunity to reconsider how different disciplines can come together to solve business challenges. Legal issues are business or life issues with a legal element, and the optimal solution to them may well be statistical, technical, communicational and/or operational, rather than only legal. Multidisciplinary working requires adjustments in hiring, promotion and organisational practices (such as agile), as well as clear paths for career progression and opportunities for apprenticeships, work experience and secondments.¹¹¹ Building these in by default will embed the capability to address increasingly complex problems in an increasingly complex world.

“When recruiting talent in lawtech, we were looking for the ability to rethink and reimagine the status quo. We want people with a classic consultant skill set but who are also curious about technology. They need to have a good deal of creativity and intellect, together with an ability to drive at the heart of any matter. With this there is also resilience - there will be a lot of brick walls. The gap is not only about tech talent, it is about the right mix of capabilities and knowing who is good at what. In the wider firm, we ask for an open mind first and foremost, and for leaders to consistently signal that digital transformation is a priority.”

Nick West,
Partner and Chief Strategy Officer,
Mishcon de Reya

78 Changing the combination of expertise in the legal community can also support greater diversity. Hiring diverse talent in terms of socioeconomic background, race, age, gender and other factors will bring greater diversity of thought, driving

innovation and producing more equitable and inclusive solutions, with the intention to drive better outcomes for users of legal and court services. A number of initiatives such as PRIME,¹¹² City Solicitors Horizons,¹¹³ Strive¹¹⁴ and Social Mobility Business Partnership¹¹⁵ have been launched to accelerate this change, alongside increasing pressure from clients for progress on equality, requiring commitments, reporting and progress on diversity strategies and metrics.

79 Wholesale adoption of online communication and collaboration tools enabled remote and mobile working through Covid-19 and will continue to support accessibility and flexibility across the business community so that people no longer have to travel to an office to meet and work. Such working practices support a more inclusive workforce, particularly for people with mobility issues or caring responsibilities. However, vigilance is needed to address the risks of an ‘always on’ culture, domestic gender inequality, and unequal treatment between those working remotely and those physically present in a shared workspace.¹¹⁶ Digital tools and other support can help to

111 - The Law Society, ‘[Horizon Scanning Forward Thinking: Digital Futures](#)’ (2020).

112 - [PRIME](#) ([primecommitment.co.uk](#)).

113 - [City Solicitors Horizons](#) ([citysolicitorshorizons.org](#)).

114 - [Strive](#) ([Striveconsultants.co.uk](#)).

115 - [Social Mobility Business Partnership](#) ([smbp.org.uk](#)).

116 - Cardiff University and the Law Society, ‘[Legally Disabled? The impact of Covid-19 on the employment and training of disabled lawyers in England and Wales: Opportunities for job-redesign and best practice](#)’ (2020).

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promote wellbeing; digital resourcing and work allocation tools can highlight and be used to mitigate against unconscious bias. The data produced by these and other resources opens up the potential for wider sector analysis and development of new tools and working practices.

“For my most recent hire, more than 50% of applicants were women and ethnic minorities. This shows diverse talent is out there.”

Shruti Ajitsaria,
Head of Fuse, Allen & Overy

“The legal sector has traditionally been a homogenous group, attracting people from similar backgrounds, trained to think in a similar way. This does not lend itself to new approaches or embracing technology. It is diversity of thought we need to encourage if we are to transform the sector from the inside out and change the culture. The legal community needs to reflect the community it serves, with a wide range of people from different backgrounds, perspectives and expertise. This is how we will move forward

and is really a very basic requirement in today’s world.”

Christina Blacklaws,
former President of the Law Society and
Chair of the LawtechUK Panel

Key takeaways:

- ➔ Promoting technology literacy across the sector will provide a foundation for innovation, and the ability to harness more advanced technological capability.
- ➔ Employing and retaining skilled technologists and other digital specialists is crucial for the legal sector to continue to grow and compete. We have the opportunity to highlight the compelling challenges lawtech can help to address, and change perceptions of what working in the legal sector means going forward.

6) Policy and regulation

80 Regulation and the broader policy environment are influential in the development and adoption of new technologies¹¹⁷ and can be instrumental in the pace at which the legal sector evolves.

81 Government services will become fully digitised and technology enabled over the next five to ten years in line with the UK National Data Strategy,¹¹⁸ facilitated by the establishment of a Digital Data and Technology leadership group, the continued build-out of the GOV.UK service, a digital strategy expected soon to help businesses and consumers adjust to a digital-first economy, investment in national broadband infrastructure, the HMCTS court reform programme,¹¹⁹ and the vision of the new Master of the Rolls for a modern judiciary and justice system.¹²⁰

82 People and businesses increasingly expect government, legal and court services to be as convenient and useful as innovative private sector offerings.¹²¹ The transformational work within government and the justice system will

bring knock-on effects for those who interact with these services, whether as a customer, judge, legal services provider, or stakeholder. This will include changes in expectations, methods of interaction, submission and consumption of information, processes and timelines, contributing to better outcomes.

83 The Global Britain drive post-Brexit, the adaptive and trusted system of law, and the reputation of UK courts will further embed the UK as a hub for business, trade, and cross-border and international court cases.¹²² Judicial and technical capability in emerging markets, including the ADGM Courts in Abu Dhabi and the AIFC Court in Kazakhstan, is increasing global competition in litigation forums. UK courts will need to digitise and innovate to remain a global leader.

84 Online courts and technology applications in the justice system are a prime example of how the sector is changing. Remote court hearings have been demonstrated through the Covid-19 restrictions to be largely effective, as evidenced by the global case

studies on Remote Courts Worldwide.¹²³ UK courts deal with 4 million cases per year¹²⁴ and backlogs have grown through Covid-19.¹²⁵ The future for the majority of civil disputes will not be traditional court proceedings, but alternative dispute resolution processes that empower the parties and emphasise relationships over an adversarial system of justice, whilst providing fair outcomes. New ways will need to be found to handle disputes at scale and speed, including across borders, if the justice system is to keep pace with the technological and broader changes happening in other aspects of our lives.

“The ad hoc Covid systems will be superseded this decade by asynchronous procedures, court-connected online dispute resolution, telepresence, virtual reality, blockchain, and artificial intelligence, terms as unfamiliar to most lawyers today as Zoom and Teams were twelve months ago. If today’s video hearings are claimed to be the main answer to the future of courts, we are asking the wrong question. A sustainable,

117 - Philippe Aghion, Antonin Bergeaud and John Van Reenen, [‘The Impact Of Regulation On Innovation’](#) (National Bureau of Economic Research, 2021).

118 - Department for Digital, Culture, Media & Sport, [‘National Data Strategy’](#) (2020).

119 - HM Courts & Tribunals Service, [‘The HMCTS Reform Programme’](#) (2018).

120 - [Master Of The Rolls](#) ([Judiciary.uk](#)).

121 - [Nearly One-Third Of Citizens Unaware Of Digital Government Services, Accenture Survey Finds’](#) ([Accenture.com](#), 2021).

122 - Judicial Office, [‘The Commercial Court Report 2018 - 2019’](#) (2020).

123 - [Remote Courts Worldwide survey results](#) ([Lawtechuk.io](#)).

124 - Georgina Sturge, [‘Court Statistics For England And Wales’](#) (House of Commons Library, 2020).

125 - Select Committee on the Constitution, [‘COVID-19 And The Courts’](#) (House of Lords, 2021).

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technology-enabled court service of the future will offer a blend of physical and online service - of which video is but one option – that is optimised for different types of case, balancing the interests of court users with the practicalities of delivering a public service.”

**Professor Richard Susskind,
President, Society for Computers and Law,
and LawtechUK Panel member**

85 The LawtechUK feasibility study for SME resolution of payment disputes,¹²⁶ the findings of which will be published soon, explains how technology can be further harnessed to provide an environment adjacent to and integrated with the court system to triage cases to the correct and proportionate avenues, and to enable effective dissolution or resolution of claims in a non-adversarial way. An online platform such as this can become financially sustainable very quickly, and can integrate with the wider tech ecosystem, through API connections to third-party products and services. The Master of the Rolls has been vocal about the current paper-based court system not

servicing business or society, envisaging a ‘fundamental generational reform of the civil justice system’ in which claims can all begin and be directed online before entering a digital court process, with the opportunity for resolution of some claims without recourse to the courts at all.¹²⁷

*“The online funnel for all civil, family and tribunal disputes is now in the course of creation. In just a few years, almost all cases will be capable of being started and progressed online... the speed of that process - even if there are still face-to-face hearings in the most difficult cases - will allow the parties to spend less time and emotional energy agonising over their disputes, and more time concentrating on their economic or personal lives.”*¹²⁸

**Sir Geoffrey Vos,
Master of the Rolls and LawtechUK
Panel member**

86 Policy makers, legislators and regulators can support the digital transformation of the legal sector and its stakeholders and

customers through data- and technology-informed strategies, technology adoption and active collaboration. The legal system itself creates the conditions in which we survive or thrive. A strategic, adaptive, forward-looking regime fosters innovation, high standards and advancement in the interests of society.

87 Policy makers can ensure the law itself is fit for purpose in the digital age and facilitates the adoption of technologies and modern ways of working, making legislative changes where this is not the case. The Law Commission’s 14th Programme of Law Reform¹²⁹ is working towards this and is well-timed to help expedite transformation, along with their important work to recognise electronic versions of documents such as bills of exchange in trade to ensure the law accommodates property rights in digital assets and enables electronic execution.¹³⁰ Making sure the law itself keeps up and serves society can also be supported by technology, as demonstrated by the technology work of the National Archives, which enables data on online consumption of legislation to inform and evaluate legislative

126 - LawtechUK, ‘SME Online Dispute Resolution UK Feasibility Study’ (2021).

127 - Jemma Slingo, ‘Master of the Rolls to create ‘online funnel’ for civil claims’ (Law Gazette, 2021); Jemma Slingo, ‘New master of the rolls promises civil justice shake-up’ (Law Gazette, 2020).

128 - Sir Geoffrey Vos, ‘Recovery or Radical Transformation: the effect of COVID-19 on justice systems’ (LSE, 2021).

129 - ‘Generating Ideas For The Law Commission’s 14th Programme Of Law Reform’ (Lawcom.gov.uk).

130 - ‘Electronic Trade Documents’ (Lawcom.gov.uk); ‘Digital assets’ (Lawcom.gov.uk). ‘Electronic execution of documents’ (Lawcom.gov.uk).

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change, areas of conflicting or unclear law and out-of-date legislation.

88 Digitising legislation, laws, regulations, handbooks and other official materials will make them broadly accessible because they can be stored and accessed online, and because digital data is machine-readable, they can be processed and analysed using big data techniques including AI. This will make it easier for organisations and people to keep track of them, evaluate them, comply with them and/or report against them. This includes case law and clarifying issues of ownership and copyright in such content, as recently progressed by Master Victoria McCloud in releasing a court judgment¹³¹ under a Creative Commons attribution-sharealike licence.¹³²

“It’s evident from our recent conversations at the Government Legal Department that there is a strong commitment to R&D collaboration across UK government and regulatory bodies and academia in areas including ‘rules as code’ and the implications

of AI for lawmaking.”

**Ruth Ward,
Director of Knowledge, Government
Legal Department**

89 Regulators can have a significant impact on the development of a tech sector. Fintech, for example, has benefited from the leadership of the Financial Conduct Authority in the UK, which has fostered innovation through its technology-first approach and regulatory sandbox. A similarly innovative ethos is now seen across a range of sector regulators, including the Information Commissioner’s Office in relation to healthtech data and data processing using AI, and the Civil Aviation Authority in relation to the use of drones. The Land Registry is working to standardise and migrate local land charges register information into one centralised online service,¹³³ exploring blockchain-enabled property transactions to increase speed, transparency and security of those transactions, has waived the need for wet signatures on land documentation, and introduced a digital ID standard to drive the use of ID technology for remote verification

of client identity and to better meet anti-money laundering requirements.¹³⁴ Scotland has made similar moves to evolve witnessing requirements. In legal services, the Solicitors Regulatory Authority has successfully supported innovators in the access to justice space through the Legal Access Challenge,¹³⁵ and CILEx Regulation convened a design sprint to explore the potential of AI in the conveyancing sector.

“In an increasingly digital landscape, regulators need to keep pace with industry. Initiatives such as the FCA’s regulatory sandbox, Techsprints and the Digital Sandbox help support responsible innovation, while providing valuable insights into challenges and opportunities facing innovators and regulators alike. I’m delighted to be using that insight within the Regulatory Response Unit, which is helping lawtech firms test ideas, understand market opportunities and seek available help. That is important, given a smoothly functioning legal system is vital for businesses and the economy to thrive. LawTech, like FinTech, is supporting growth and innovation in the UK

131 - *Ayeh-Kumi v The Lord Chancellor & Anor* [2021] EWHC 1564 (QB) (09 June 2021).

132 - *Creative Commons BY-SA licence* (Creativecommons.org, 2021).

133 - HM Land Registry, *Local Land Charges Programme* (2021).

134 - *COVID-19: The Society Takes Action* (Law Society of Scotland, 2020).

135 - *Legal Access Challenge* (Legalaccesschallenge.org).

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economy - that's a great outcome for people and society as a whole."

Sheldon Mills,
Executive Director, Consumers and Competition, Financial Conduct Authority and Chair of the Regulatory Response Unit

90 The transformative potential of technology to help reshape legal services to better meet society's needs and deliver fairer outcomes, increased confidence and better services is laid out by the Legal Services Board in their report 'Reshaping legal services: a cross-sector strategy'.¹³⁶ Regulators can proactively foster innovation and technology, by increasing their own awareness of tech and barriers to innovation, providing guidance to their regulated communities that builds confidence in how technology can and should be used in delivering legal services - setting a baseline for best practice - being available, accessible and pragmatic with tech pioneers, and applying appropriate technology and good data practices in carrying out their regulatory functions and acting as a role model for others. The FCA and Bank

of England use technology in compliance monitoring and are actively exploring wider applications of technologies such as central bank digital currency;¹³⁷ regulators addressing cyber abuse and other online harms can look to technology to help identify and address those harms at scale. Regulators' active engagement with the public is critical to understanding the user experience and practical issues relating to the use, or lack of use, of technology.

91 The UK legal services regulators have innovation and technology within their strategy objectives and are already actively engaged in lawtech through initiatives such as the Regulatory Response Unit (RRU), where they work together and alongside other regulators, including the Information Commissioner's Office and Financial Conduct Authority.

"The regulator has to be engaged and act as a catalyst, enabling lawtech development and wider market changes by helping innovators navigate the regulatory landscape and, through the use of trials or

pilots, identify and dismantle any potential barriers or detriment to consumers. We have seen through our work with law firms and digital review sites on quality indicators just how much progress can be made for both consumers and firms when people collaborate and use technology effectively. Through the Lawtech Sandbox we have seen the opportunity for the regulators to work together, engage first hand with new tools and services being developed and to pick up the baton from LawtechUK in how we think about and execute on the innovation agenda. This is important work that helps define the market, contributing to growth of the digital economy."

Tracy Vegro OBE,
Executive Director, Strategy and Innovation, Solicitors Regulation Authority

92 LawtechUK commissioned research demonstrates the importance of trust in lawtech adoption.¹³⁸ It is not enough for these technologies to be out there: users need to be confident that they can adopt them without sanction, that they are secure and subject to appropriate

136 - Legal Services Board, 'Reshaping legal services: a sector-wide strategy' (2021).

137 - Bank of England, 'Bank of England statement on Central Bank Digital Currency' (2021).

138 - Community Research, 'Qualitative Research Into SMEs' Legal Needs And Adoption Of Lawtech' (LawtechUK, Legal Services Board).

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governance. Regulators and representative professional bodies can provide guidance and advice on lawtech adoption, and on uses of technology not breaching relevant legal services regulations. For example, regulators can help to increase confidence and trust in e-signatures, cloud and digital ID technology, all of which are business-critical and offer benefits and risk mitigation for legal service providers and their clients. However, concerns about regulator liability have inhibited endorsement of specific technologies. There are several approaches to this. For example, law firms in Singapore are encouraged to select from a shortlist of lawtech providers assessed and pre-approved by the Infocomm Media Development Authority, the Ministry of Law, the Law Society and Enterprise Singapore.¹³⁹



Thirdfort case study

Thirdfort provides streamlined client onboarding and digital KYC. Despite the positive impact on risk management, security and client experience, initially law firms believed regulators would not allow use

of the product, but pioneering users pushed for adoption and regulator assurances, prompting closer regulator engagement. Thirdfort has grown exponentially since the first lockdown due to market demand, securing over £4m of investment, growing revenue 10-fold and signing up over 500 law firms. Thirdfort is now expanding into new markets, having grown the team from 12 to 70 people since February 2020.

“Lockdowns ramped up pressure on law firms to quickly adopt digital onboarding, because traditional methods of verifying ID and AML involved face-to-face checks. We’ve found that we cut onboarding time down from 2.5 weeks to 3 days for property lawyers, where the administration is particularly cumbersome. Our service had already made over 400,000 digital checks and picked up 9 fake ID documents.”

**Olly Thornton-Berry,
Co-Founder, Thirdfort**

93 In the legal sector, professional caution is a factor in the pace and scale of change. Our research for the Lawtech Sandbox and

establishment of the RRU demonstrated the link between this and the regulatory environment in law. In the UK there are 15 regulatory bodies for legal services. Despite changes to legal services regulation in England and Wales to permit alternative business structures and encourage external investment, and the fact that a wide range of activities fall outside the list of 6 ‘reserved’ activities that require authorisation,¹⁴⁰ there is a perception of legal services as a complex landscape with many pitfalls and risks. Regulators can help dispel the myths and build confidence in innovation, by being accessible to innovators and addressing their questions, keeping regulatory arrangements under review, and where innovation intersects different rulesets or jurisdictions, collaborating to clear the path. The work of the RRU in supporting technology pioneers in the [Lawtech Sandbox Pilot](#),¹⁴¹ and the launch of the [Regulatory Navigation Tool](#),¹⁴² are examples of practical ways regulators can work together to directly support technology innovation.

94 Lawtech transcends traditional regulatory boundaries and there are opportunities to scale these regulator collaboration activities further, engaging with tech innovators

139 - The Law Society of Singapore, [“Tech-celerate for Law”](#) (2019).

140 - [Legal Services Act 2007](#), s 12(1); [Regulatory Navigation Tool](#) (Lawtechuk.io, 2021).

141 - [Lawtech Sandbox Pilot](#) (LawtechUK, 2021).

142 - [Regulatory Navigation Tool](#) (Lawtechuk.io, 2021).

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together, researching and surmounting cross-jurisdictional issues, and providing joint guidance, such as standards on data use and sharing in the context of lawtech, and assurances or considerations for specific technology applications such as AI. At LawtechUK, we are exploring with the RRU support towards such aims.

LAWTECH UK

The Regulatory Response Unit was convened by LawtechUK alongside the Lawtech Sandbox. It brings regulators together in a single, fast response forum, to make it easy for lawtech pioneers pushing the boundaries of innovation, to navigate the rules and move forward quickly and with confidence. The [Regulatory Navigation Tool](#) was built to make it easy for those innovating in law to see which legal activities require authorisation and emphasise that many do not.

“It is a ground-breaking initiative to bring regulators together in this way to support technology innovators in law.”

Sheldon Mills,
Executive Director, Consumers and Competition, Financial Conduct Authority and Chair of the Regulatory Response Unit

“The LSB is setting an open stance for the regulation of technology in the interests of connecting services to the people who need them. It is essential that regulators have the mindset and knowhow to bring innovators into the market, and innovators in turn have the confidence to come. That is at the heart of our strategy, and why we support LawtechUK’s work.”

Matthew Hill,
Chief Executive, Legal Services Board

95 On the policy side, there is an opportunity to evaluate the complexity and efficacy of a multi-regulator landscape and review whether the existing list of reserved legal activities and the title-based focus is the best structure to support the delivery of modern and technology-enabled legal products and services and protect consumers. Recent reports from the Competition and Markets Authority and Professor Stephen Mayson highlight the context and arguments for change.¹⁴³ Alongside this is fast execution of the work underway to ensure transparency of pricing and quality information for customers of legal products and services. Ensuring data availability and a level playing field in this

way will support competition and encourage wider access to legal services,¹⁴⁴ growing the market overall.

96 Policy makers are charged with addressing jurisdictional and societal challenges. It has been proposed that they should direct innovation in ‘mission-led’ ways and think big, taking inspiration from the ‘moonshot’ programmes that successfully coordinated public and private sectors to achieve the moon landing.¹⁴⁵ The digital transformation of the legal sector is one such challenge, with the potential for new and more ambitious forms of public-private partnerships directed at societal change and prosperity. Technology spans jurisdictional boundaries, and our focus on lawtech can increasingly take a global, cross-border view, working together across jurisdictions to address challenges together.

97 As has been evidenced by the development of healthtech during Covid-19,¹⁴⁶ new models are being established for greater collaboration between the public and private sectors to address ambitions and challenges that individual governments cannot meet alone. Collaboration is emerging as a key component of innovation programmes and

143 - Competition and Markets Authority, ‘[Review Of The Legal Services Market Study In England And Wales](#)’ (2020); Stephen Mayson, ‘[Independent Review Of Legal Services Regulation](#)’ (UCL Centre for Ethics and Law, 2019).

144 - ‘[Quality Indicators In Legal Services](#)’ (Legal Services Board, 2021).

145 - Mariana Mazzucato, ‘[Mission Economy: A Moonshot Guide to Changing Capitalism](#)’ (2021)

146 - Angela Logan, ‘[How The Covid-19 Pandemic Has Put The UK Healthtech Sector Centre Stage](#)’ (Technation.io, 2020).

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national strategy.

98 Public-private partnerships are common in healthcare in the developing world, where public health services reach less than 50% of the population¹⁴⁷ - comparable in statistical terms to legal and court services in the UK. For public bodies, private sector collaboration brings investment and cross-disciplinary skills to test and develop technology-enabled products and services, to realise policy goals and address market failures. For industry, such collaboration brings scale and profile, helps remove impediments, brings public interest focus and generates value.

“With investment in UK lawtech tripling in the last year alone and English law governing about 40% of all global corporate arbitrations, it’s vital to support the sector as it goes through an exciting tech transformation. The Tech Nation LawtechUK Sandbox is just one of many initiatives being set up to support a robust and fast-growing lawtech ecosystem, which in itself will attract even more investment to the UK, and be an engine of job growth. At the heart of this is

collaboration across industry and the public sector - something we are increasingly seeing in other sectors such as healthtech and climatetech. We look forward to working with partners in continuing to make this happen.”

**Gerard Grech,
CEO, Tech Nation**

99 Public-private collaboration can take many forms, from more general support, information and ideas exchange, to government equity stakes in projects, to more formal structures, underpinned by legal frameworks that support sharing of costs, risks, intellectual property and data. Our R&D initiative, the Lawtech Sandbox, is one form of such collaboration and has proved successful in delivering positive outcomes for participants, such as doubling the speed of development cycles, enabling data sharing to accelerate development, providing access to data leading to team expansion and more ambitious product roadmaps, and increasing cross-sector awareness and adoption. Other examples are the Bank of England and FCA Fintech Artificial Intelligence Public-Private Forum¹⁴⁸ designed to look at the impact and adoption of AI in financial services, and the

Small Business Research Initiative delivered by Innovate UK that brings together government challenges with ideas from business to create innovative solutions, such as making sense of business regulations, automating citizens advice and detection of crime.¹⁴⁹

100 Public-private cooperation is a critical success factor in the growth of lawtech and the wider digital transformation of the legal sector, capable of both accelerating the cycle of transformation and extending the boundary of what is possible in terms of practical change.

Key takeaways:

- ➔ Regulators and policy makers can lead by example on legal innovation, tech deployment and a commitment to open data, and help build confidence in lawtech.
- ➔ Government can leverage industry to help address systemic challenges in law through technology.

147 - World Health Organisation, 'Tracking Universal Health Coverage: 2017 Global Monitoring Report' (2017).

148 - Bank of England, 'Fintech AI Public-Private Forum' (2020).

149 - Innovate UK, UK Research and Innovation, 'SBRI: The Small Business Research Initiative' (2021).

7) Sustainable growth

101 For digital transformation of the legal sector in line with the sector’s purpose to serve society, ethics and the rule of law¹⁵⁰ must be at the heart of lawtech, alongside growth and profit. The rule of law is the framework for how we act and operate and holds us all accountable for our actions in today’s volatile environment. The rule of law has economic value - underpinning prosperity, equality and trust between people, in the state, and between organisations and their stakeholders. Digital transformation in legal and court services must be aligned with these principles and the ESG movement that embodies them, mindful that it is to society that the legal community owe their primary duty.

“Technology and data may be the answer to governance in corporations and governance in society. The legal profession must not be asleep at the wheel or allow the rule of law to be degraded. Technology can enable better adherence to legal requirements as a matter of course and data can record the truth of what is happening. As lawyers we need to be

wide awake and use all the tools available to us.”

Rosemary Martin,
Group General Counsel and Company Secretary, Vodafone Group Plc, and LawtechUK Panel member

102 The ESG movement has increased expectations on corporations and legal businesses to account to a range of stakeholders and society at large. Businesses are integrating the UN Sustainable Development Goals¹⁵¹ into strategy and Covid-19 has accelerated commitments to stewardship, focusing attention on value creation for all. Nearly 50% of FTSE 100 companies have now linked executive pay to non-financial ESG targets associated with managing risk.¹⁵² ESG is an established priority, particularly for multinationals, the investment and finance community, auditors and regulators worldwide, and consequently for the legal community and other professionals that serve or interact with them.

103 Legal professionals have an essential role in helping corporate leaders meet economic, social and governance responsibilities and in enabling the free market system reliant on the law to protect property, enforce contracts and enable trade.¹⁵³ They can help make our economic system more sustainable and embed and operationalise ESG principles in business, through strategic advice and integration into legal and policy documents and processes. ESG is increasingly acknowledged as fundamental to the role of the general counsel, with some taking on a specific remit for ESG.¹⁵⁴ Legal businesses are already adopting the ESG narrative and adjusting their practices.

104 As technology enables legal and court professionals to deliver a more capable, informed, efficient service and thereby better meet the ESG agenda, use of such technology will become a requirement, whether simply in terms of board and client/user expectations, or eventually in terms of legal duty and insurance requirements.

150 - ‘What Is The Rule Of Law?’ (Worldjusticeproject.org); Lord Neuberger, ‘Justice Tom Sargant Memorial Lecture 2013: Justice in an Age of Austerity’ (2013).

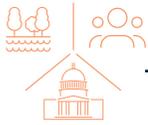
151 - ‘The 17 Sustainable Development Goals’ (Sdgs.un.org).

152 - Daniel Thomas, ‘Half Of FTSE 100 Companies Link Executive Pay To ESG Targets’ (Ft.com, 2021).

153 - Stephen F Copp, ‘The Legal Foundations Of Free Markets’ (The Institute of Economic Affairs, 2008).

154 - RSG Consulting in collaboration with Financial Times, ‘Top in-house lawyers redefine their role as strategic thinkers’ (Ft.com, 2021).

Priority focus areas



Sample ESG tools

Hogan Lovells' Business integrity Group (BiG), for example, has designed a Healthcheck app for companies to self-assess whether their business purpose and integrity is sufficiently integrated into the companies' governance and contractual arrangements.¹⁵⁵ Linklaters has also launched a media hub for its global ESG practice, featuring multiple series of webinars and podcasts on a broad range of ESG issues.¹⁵⁶

105 Enterprise activity on law firm diversity and inclusion¹⁵⁷ is an indicator of the increased expectations placed on legal businesses. ESG has become a magnet for talent acquisition in a world where people want to contribute positively through their work, and will select their employers accordingly.

“Trust in the legal profession can't be manufactured from technology alone and has to be upheld by the profession itself through delivering justice to all members of society.”

Dana Denis-Smith,
CEO, Obelisk Support and founder of the First 100 Years Project

106 This is a moment for strategic review at all levels, evaluating the importance of ESG and how it can be integrated into business models, methodology and metrics. Technology can be an enabler and key success factor in ESG, through data analytics, better risk awareness, management and transparency, and automated processes built on best practice. Legal businesses, leaders and teams that apply technology to purpose, adopt these methods through an ESG ethos, and enable this in their clients will be the ones in high demand and who will contribute the most to society. They will be judged accordingly over the longer term.

107 All technology has potentially positive and negative impacts and there are countless examples. The internet has connected the world and enabled much that was not possible before, but it also introduced online abuse, social media addiction and large-scale distribution of criminal material and disinformation. Case law demonstrates technology can get things wrong.¹⁵⁸

108 Technology such as artificial intelligence is already embedded in society and the products we use every day. There will be many applications in law that bring exceptional value and need little evaluation of their effectiveness - many are currently in use. For example, Google searches and voice recognition are part of daily life. In legal practice, AI powers standard tools such as billing and practice management software, and mainstream legal research platforms such as Westlaw and LexisNexis.

109 Development can move boldly and at pace. However, some applications need more consideration, notably around equality, fairness and access to justice. It

155- [Total Business Integrity Healthcheck app](#) (Hogan Lovells).

156- [In Conversation with the ESG Team](#) (Linklaters).

157- Caroline Spiezio, [‘Coca-Cola GC Requires Law Firms To Improve Diversity Or Take A Fee Cut’](#) (Reuters.com, 2021); [‘Open Letter From US GC To Law Firms On Diversity’](#) (Equalinlegal.com, 2019).

158- [Josephine Hamilton & Others v Post Office Limited](#) [2021] EWCA Crim 577.

Priority focus areas

is these that must incorporate the right inputs, standards and controls, so that they avoid unintended consequences and meet, and perhaps extend, our legal and ethical responsibilities. Strategies are needed to ensure tech development meets crucial standards of transparency, fairness and trustworthiness. The standard for lawtech here will be at least on a par with healthtech in terms of consideration and responsibility in deployment.

110 Technology can help legal services meet those responsibilities, identify potential vulnerability, and increase transparency, oversight and consistency.

Key takeaways:

➔ Lawtech gives us the tools to advance the rule of law, support the ESG agenda, and set new standards, to benefit society and our economic prosperity.

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Conclusion

Conclusion

111 Our legal community plays a critical role in business and society. Technology can enhance that role. It can increase the quality and accessibility of legal and court services. And as technology advances, we will be offered new and compelling ways to make the law more available to everyone and, in turn, to strengthen and affirm the rule of law.

112 In a unique and multi-faceted sector, our common purpose in the legal world is key - to serve society first and foremost. Lawtech is not an end in itself nor a panacea. It provides opportunities both for improvement and for transformation. The deployment of technology is a common theme around which the legal sector can convene and through which it can evolve - to improve the lives of citizens and support the endeavours of businesses.

113 With concerted effort across the seven priority areas outlined in this report, fundamental progress towards transformation can be accelerated, achieving twenty years' worth of progress in five - re-engineering the legal sector to

deliver a first-class legal system and services that are market-leading and fit for the future.

114 By way of next steps, we offer the following:

- Each and every one of us can identify priority areas and opportunities in the report that are most relevant to us, and the actions that are within our power now. We should take these forward with vigour, and find others who can help enrich our progress. Humble questions asked and small changes consistently made can have a big impact.
- Investment in lawtech is not a one-off event. As technology advances and evolves, so too will lawtech. When we review our collective progress one year from now, we hope to see that the legal sector has a clearer common vision for its tech-enabled future, and has developed the beginnings of a shared roadmap, the first step towards a cohesive plan.

115 During this time, we encourage the sharing of successes and failures, experiences and lessons, through our social channels, as well as feedback and discussion of the contents, challenges and ideas in this report.

116 We will also continue at LawtechUK to progress our targeted work programme, supporting cohesive action in the sector and ourselves tackling elements of the seven priorities outlined in this report - including through cross-community R&D collaboration in the Lawtech Sandbox, our work on data access and smart contracts, provision of resources and basic tech literacy courses on the [LawtechUK Hub](#), and our research and other programmes. Throughout, we welcome diverse collaboration and appreciate the many contributors to our work.

117 The biggest opportunities are those we take as one and without delay.

Conclusion

LawtechUK

LawtechUK, a government-backed initiative within Tech Nation, was established to support the transformation of the UK legal sector through technology, with a commercial focus, for the benefit of society and the economy.

Digital transformation is a multi-year process with many moving parts and contributors. Our focus is on building foundations that can be scaled, through a work programme targeted at addressing the most pertinent barriers to that transformation.

We welcome feedback and targeted collaboration as we build. You can read more about our work, get in touch via our [website](#) and join us on [Twitter](#) and [LinkedIn](#).

This report does not represent government policy

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Great thanks to the many who contributed to this report, including the following:

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Annex - Lawtech examples and benefits

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Sample lawtech benefits today			
Dispute resolution for legal professionals	Legal document creation, management and review	Legal advice and documents and advice for individuals and SMEs	Legal services marketplaces
<p>Technology is supporting both the handling and resolving of disputes. Legal professionals are able to optimise legal research, strategy, and document review, as well as assess case strength. Hearings are conducted remotely and entire disputes can now be resolved online, with AI tools trained to support resolution, adjudication and even enforcement. This reduces costs, time and backlogs.</p>	<p>Technology is supporting the full document lifecycle, from automatic contract creation through to review, execution, and managing obligations. More advanced tools are using machine learning to support drafting and negotiation, and utilising smart contract code to automate enforcement. This speeds up contracting and tracks data insights.</p>	<p>Technology is providing customers with the ability to create contracts and receive legal advice on-demand through the deployment of self-serve tools. Through these tools, customers can receive services tailored to their needs in an accessible and cost-effective manner and structured data within documents makes those documents more useful operationally.</p>	<p>Technology is helping people and businesses take care of their legal needs entirely online. Legal services marketplaces are able to match people and businesses with a lawyer based on their needs and budget. This provides flexibility, transparency and puts the customer in the driving seat.</p>
Regulatory compliance	Transactions	Wills and probate	Dispute resolution for individuals and SMEs
<p>Tools are helping businesses stay on top of their regulatory monitoring, reporting, and compliance obligations. Data science techniques are enhancing these tools, helping businesses identify legal and compliance risks, whether that is during a due diligence process, managing an IP portfolio, assessing litigation risk or preventing a data breach.</p>	<p>Technology is being deployed to efficiently manage and accelerate large-scale commercial transactions. Machine learning tools that complement human expertise speed up due diligence processes, increasing accuracy and scale, and channel capacity effectively in transaction teams.</p>	<p>Technology is enhancing traditional services and simplifying time-consuming processes. This is providing people with cost effective probate and funeral services, as well as online will-writing platforms. This facilitates access to legal services and significantly reduces costs.</p>	<p>Technology is creating more accessible channels through which individuals and SMEs can voice grievances and resolve disputes. Online channels such as mediation platforms can be used at any time and at affordable costs, improving access to justice.</p>

Annex - Lawtech examples and benefits

Sample lawtech benefits today			
Conveyancing	Intellectual Property	Legal practice, work and case management	Legal information and knowledge for legal professionals
Documents can be signed electronically. Individuals and company identity can be checked and verified online. This is not only speeding up the process of signatures and KYC but also reducing the risk of fraud. Intuitive platforms are further bringing together all parties in the conveyancing process to a centralised online space to speed up processes and checks.	Technology is facilitating the creation and management of different IP rights, and enabling owners and businesses to exercise them effectively. Centralised portals allow companies to keep track of all their IP rights in one place and in real time and be alerted to possible infringements or disputes so as to accelerate response and resolution.	Law firms, barristers and in-house teams are using technology to support the delivery of their services, whether that is using e-billing tools, time recording, or managing the activities, processes and workflows on a matter or case via a platform. This enables the delivery of a connected, collaborative experience that captures and enables analysis of data, supports decision-making and identifies opportunities for operational improvement.	Technology is supporting information gathering and management by legal professionals and firms, and facilitating legal and regulatory research. This enables legal professionals to access up-to-date and comprehensive information efficiently, share learning, and channel further capacity into tailoring advice and services to their clients' needs.

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