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The City of London Law Society recommends a focused reform of the SFO

Fraud and economic crime are significant problems in the UK, with estimated losses to the economy running into billions of pounds each year. The Serious Fraud Office (SFO) has encountered years of setbacks in delivering its mission to prosecute complex fraud and bribery. In March 2023, another SFO prosecution collapsed in court after a decade of work, delays, and spiralling costs, with the SFO declaring it was no longer in the public interest to continue.

It is in this context that the City of London Law Society's Corporate Crime and Corruption Committee calls today for an urgent, focused reform of the SFO. The Committee holds that it is necessary to address and fix the SFO's shortcomings in order to protect the effectiveness of the UK's justice system as regards complex fraud, and to maintain the UK's reputation as a reliable hub for financial services and destination for investment.

A new Paper from the Committee argues that successful reform requires resources and political support. One key recommendation is to increase the budget of the SFO by at least 50% to ensure adequate staff remuneration and the necessary investment in infrastructure. Additionally, in line with the House of Commons Justice Committee's Recommendation in the Fourth Report of 2022-23, the Committee recommends the creation of a new ministerial position, a Minister of State for Economic Crime, based in the Home Office, who would safeguard the independence and effectiveness of the relevant agencies.

Overall, the paper puts forward 14 recommendations, covering budget and governance, investigations, and disclosure.

The Chair of the Committee, Eoin O'Shea, commented: "Financial crime such as fraud is now an enormous social and economic problem. It cannot be investigated or prosecuted on the cheap. New laws are all very well but enforcement is key. It is vital for the UK to grasp the nettle of resourcing and reform of the SFO to protect public confidence in the justice system's capacity to combat fraud, and the country's international reputation."

The Committee's paper is available here: <https://www.citysolicitors.org.uk/storage/2023/04/CLLS-Recommendations-for-SFO-19-04-23.pdf>

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NOTES TO EDITORS

The City of London Law Society's Corporate Crime and Corruption Committee is a committee of specialist lawyers which focusses on issues of corporate crime with the aim of assisting the legal profession, lawmakers, law-enforcement, and all relevant stakeholders.

The City of London Law Society is the professional representative body for the largest national and international law firms in the City of London. Its membership includes almost 60 firms practising in the City which employ 18,000 solicitors.

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