

Plans for UK Lawtech R&D ‘Sandbox’ announced today

- LawtechUK will this year pilot a government-backed lawtech R&D programme - the Lawtech Sandbox - to help accelerate digital transformation of the UK’s legal sector, and is now looking for a technical delivery partner
- Plans for a UK SME Dispute Resolution Platform are also announced today, to help address the £11.6bn paid in litigation fees and the £50bn of late payments arising each year, plus a lawtech online hub, guidance and training centre
- The Covid-19 crisis accelerates the need for change and digitisation of the legal industry

Plans to create a UK Lawtech research and development (R&D) environment - the Lawtech Sandbox - have been announced today by LawtechUK, a government-backed initiative delivered through a collaboration between Tech Nation, the Lawtech Delivery Panel and the Ministry of Justice.

The Sandbox is one of four initial programmes LawtechUK has announced in the publication of its vision to help the legal sector harness lawtech - technologies that improve or replace traditional methods of delivering legal services and systems.

Details

The Lawtech Sandbox is inspired by the FCA’s Regulatory Sandbox, set up in 2016 to support innovative UK financial services firms delivering in the interests of consumers, and widely attributed as playing a key role in the growth of the fintech sector. The Lawtech Sandbox will bring together technologists, the legal and business community, and public bodies, to support more innovative legal technology coming to market. The Sandbox will be delivered in collaboration with the Solicitors Regulatory Authority, Legal Services Board, Information Commissioner’s Office and the Ministry of Justice.

Work is underway to establish the framework and processes for the Sandbox pilot and LawtechUK is launching a call-out for a technical delivery partner. Interested parties can find more information at technation.io/lawtech. Plans will be confirmed over the coming months, as the Sandbox pilot is established. In addition, LawtechUK is announcing today:

- **SME Dispute Resolution Platform:** to explore building a technology-enabled online platform offering SMEs an alternative, elective method to resolve late payments and address the £11.6bn paid in litigation fees and the £50bn in late payments arising each year
- **Lawtech Online Hub and Training Centre:** to build an online hub with free digital courses on legal technology and open access data on the lawtech sector
- **Lawtech toolkits:** to issue guidance responding to areas of legal uncertainty or challenge around new technologies, including on any matters arising in the Lawtech Sandbox

The vision and work programme set out today is drawing on funding from the £2 million announced by the Ministry of Justice last year to support the growth of lawtech in the UK.

The Covid-19 crisis accelerates the need for change and digitisation of the legal industry. Whilst the pace of technology adoption in the legal sector has been slow to date, investment in UK lawtech

tripled in the last two years, attracting £290 million in investment in 2019 and employing over 4,000 people.

Quotes:

The Rt Hon Lord Keen of Elie QC comments: “The COVID-19 pandemic has shown the legal sector’s versatility and resilience, using technology to continue delivering justice.

“We remain committed to backing innovation in our world-leading legal sector.”

“The LawTech Sandbox is an important next step in delivering cutting-edge technology and furthering our reputation as a globally trusted destination for legal practice.”

Caroline Dinenage MP, Minister of State for Digital and Culture, comments: “It's great to see two of the UK's world-leading sectors come together to drive innovation and boost the nation's competitive edge.

“The current crisis has highlighted the potential of technology to transform how we work and this new initiative will help entrepreneurs develop viable new products and services so our legal sector can be fit for the future.”

Jenifer Swallow, LawtechUK Director, Tech Nation, comments: “Covid-19 is bringing urgency to the task of restructuring the delivery of legal services and systems worldwide. Through the LawtechUK work programme we have announced today, we will bring practical support and advancement to enable this, helping the UK legal sector lead this global transformation.”

Gerard Grech, Chief Executive, Tech Nation, the growth platform for tech companies, comments: “The delivery of legal services and the justice system are set for technological transformation through the use of AI, blockchain and other emerging enablers. The UK has every intention to be at the heart of this, with investment in UK lawtech tripling in the last 2 years. We, at Tech Nation are delighted to be working in partnership to deliver a targeted work programme to accelerate this growth for the UK and beyond, starting with the Lawtech Sandbox.”

Christina Blacklaws, Chair of the Lawtech Delivery Panel, the industry-led lawtech forum, comments: “The exciting and broad range of projects we are launching today as LawtechUK will help place technology at the heart of a new era of legal services. Our panel members represent industry, business, academia, regulators and government, to serve that aim. We look forward to further extending our membership within the lawtech community, and to collaborating across the sector to ensure global leadership in legal services for years to come.”

Comments from regulators:

Anna Bradley, Chair of the Solicitors Regulation Authority, comments: “Currently too many small businesses struggle to get expert legal help – fewer than one in four get professional advice when they need it. That can be the difference between a successful or failing business. Technology could be a game changer for legal services. Working together on initiatives like this will help make sure regulation facilitates new developments that will benefit society and the economy.”

Simon McDougall, Executive Director of Technology and Innovation, Information Commissioner's Office, comments “I'm delighted to collaborate with LawtechUK on its Lawtech Sandbox. It's a fantastic opportunity for participants to develop new and exciting products and ensure that data protection compliance is built in to these from the outset.”

Matthew Hill, Chief Executive, Legal Services Board, comments: “The LSB is supporting the Lawtech Sandbox because it has the potential to help regulators, government and the wider legal and technology communities to work together to ensure that technological innovation benefits both consumers and providers of legal services. In doing so, it will also complement the LSB’s and other legal regulators’ current and future work on legal technology.”

Comments from the sector:

Richard Susskind, President of the Society for Computers and Lawtech Delivery Panel member, comments: “We are now able to deliver legal systems and services in ways and at a pace that were previously considered impossible. LawtechUK is uniquely positioned to help drive this delivery. As part of our ambitious work programme, we are working towards the delivery of an online dispute resolution platform, to help the SME community handle claims for late payments.”

Dr Anna Donovan, Faculty of Laws, University College London and Lawtech Delivery Panel member comments: “Knowledge, supported by an innovation mindset, is fundamental to the transformation of the sector. Now, more than ever, it is vital that the legal services market has access to reliable and multi-disciplinary education and training. The Lawtech Online Hub and Training Centre meets this need by offering a single point of authoritative information, providing substantive, as well as skills and aptitudes-based, training that can be accessed remotely and for free by the whole sector.”

Rosemary Martin, General Counsel & Company Secretary, Vodafone Group Plc and Lawtech Delivery Panel member, comments: “The Lawtech Sandbox will be a defining moment in the transformation of the legal sector. In years to come people may look back and say that the Sandbox provided the missing link in the evolution of legal services and that its creation enabled the sector to leap from the Analogue Era to the Digital Age, a shift that benefited not only legal service providers and users but also broader society.”

Christopher Grant, Lawtech Director, Barclays Ventures, comments: “The Legal industry has struggled with the adoption of technology, and has been somewhat resistant to change. Recent events have brought about a shift, firms are having to try new approaches and think about how to do things differently but there are still hurdles to overcome. The introduction of the Lawtech Sandbox is a huge leap over one of these hurdles; along with new levels of collaboration across the ecosystem this gives an opportunity to turbo-charge the industry and bring about real change.”

Peter Hunn, Founder, Clause & Accord Project, comments: “The work of the Lawtech Delivery Panel has demonstrated that the UK is at the very forefront of the advancement of legal technology. As the positive reception to ‘remote courts’ and the UKJT Legal Statement on Cryptoassets and Smart Contracts has recently shown; creating an environment in which these technologies can be safely developed and iterated upon is critical to their development and adoption. Initiatives like these are incredibly exciting as they expedite the inevitable intersection between law and technology.”

Julia Salasky, CEO & Founder, Legl & CrowdJustice comments: “Technology has been a lifeline for the legal industry during this crisis. And while lockdown measures might be temporary, the shift to digitisation in legal services is here to stay. That’s why it’s critical that new products can be brought to market quickly - so that we can rapidly test, learn and iterate on solutions and get as much real-time feedback and data as possible. The plans for the lawtech sandbox announced today will accelerate the ability to do so, and consequently benefit the market at large.”

Tim Pullan, CEO, ThoughtRiver comments: “The UK has been the world’s most dynamic legal sector for many years, a unique combination of a deep skills base, history and innovative mindsets. It is for

this reason that when I started ThoughtRiver, I moved halfway across the world to the UK to do so. In lawtech we are fast approaching the point where technology will fundamentally change the substance of both legal practice and the law itself. The Lawtech Sandbox is a critical initiative at this time to provide a platform for the UK to continue to demonstrate its leadership.”

ENDS

Notes to the Editor

About Tech Nation

Tech Nation is the growth platform for tech companies and leaders. Tech Nation fuels the growth of game-changing founders, leaders and scaling companies so they can positively transform societies and economies. We provide them with the coaching, content and community they need for their journey in designing the future.