

# Lexcel Matters

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The Law Society

OCTOBER 2025

[www.recognisingexcellence.co.uk/lexcel/](http://www.recognisingexcellence.co.uk/lexcel/)

## Event: The LegalAdvantage Conference 12th November 2026

Recognising Excellence are delighted to partner with PDA Legal in association with the Best Practice Group to host Legal Advantage; a unique event to inform and support law firm leaders and managers on controls and best practice to manage risk and compliance.

It's more than just a conference. Much more...

Throughout the content rich day, legal sector experts will lead interactive sessions, workshops, panels and discussions to provide you with latest insight to take back to your legal practice.

Session and topics will include; AML, SRA inspections, Lexcel, Artificial Intelligence, avoiding complaints, cybersecurity, law firm finance and more.

There's also networking and meeting spaces available across the day, where you can 'ask an expert'.

<https://www.recognisingexcellence.co.uk/legal-advantage-conference/>

LEGAL  
ADVANTAGE



ELEVATE BEST PRACTICE

The conference  
for risk and  
compliance leaders

£149.00 per delegate. This includes: Access to the sessions, access to speakers and experts throughout the day, lunch & refreshments.

**Early Bird: Book your place before 1st April 2026 for the discounted price of £99.00.**



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Best  
Practice  
Group

**PDA Legal in association with the Best Practice Group is delighted to partner with Recognising Excellence to present Legal Advantage; the conference for risk and compliance leaders.**

**The team at PDA Legal have been involved with Lexcel since its launch in 1998!**

Today, they support firms through SRA inspections and Lexcel assessments, as well as conducting R21 AML audits, authoring bespoke Firm-Wide Risk assessments and AML policies, conducting file reviews and providing acclaimed in-person training on AML, data protection, cyber security and Lexcel.

More than just a few firms have remarked that PDA's reporting on general compliance controls and on AML audits is the most detailed and helpful that they have received.

PDA consolidates all of that insight and know-how into regular, practical 'how to' articles for law firms, to provide guidance and support on all of these topics and more. You can read all of these articles here: <https://pda-legal.co.uk/articles/>

**PDA Legal is also a co-founder of the Best Practice Group**

The BPG meets virtually in confidence, for a couple of hours every six months, where the members discuss hot topics for legal practice risk and regulatory compliance of the members' own choosing. Every session includes a detailed Lexcel update.

Its membership, representing more than 100 firms, comprises partners, practice managers, directors, COLPs, COFAs and MLROs from legal practices, ranging from 600+ staff international firms to sole practitioners, from all over the country.

Members attending the sessions receive a certificate of attendance for their training & competence records.

In addition, all members receive a substantial member discount on services from PDA Legal, including AML audits, training and file reviews.

Recognising Excellence firms are warmly welcomed to the BPG, free of charge and without any 'paperwork'.

For more information, visit <https://pda-legal.co.uk/legal-best-practice-group> or email BPG facilitator and co-founder, Neil Partridge for details; [neilp@pdalimited.com](mailto:neilp@pdalimited.com)

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## What Law Firms Should Consider When Choosing a New Banking Partner

As the banking industry continues to shift toward centralised call centre environments, many law firms are finding it increasingly difficult to maintain meaningful relationships with their banking providers. The days of having a dedicated relationship manager who truly understands the legal sector are fading, replaced by generic customer service lines and impersonal digital interfaces. For law firms, where trust, precision, and sector-specific expertise are paramount, this change can be more than just inconvenient; it can be detrimental to the firm's financial health and operational efficiency.



If your firm is considering switching banks, It's essential to look beyond surface level features and focus on finding a provider that offers genuine partnership, deep industry knowledge, and long-term value. Here are five key considerations to guide your decision.

- Sector Expertise: Understanding the Legal Landscape
- Relationship Management: More Than Just a Call Centre
- Transparent and Competitive Pricing
- Digital Capabilities and Integration
- Long Term Support and Flexibility

Switching banks is a strategic move that can impact your law firm's operations, client service, and growth. As traditional banking becomes less personal, firms must seek partners that offer real expertise, personalised service, and long term value.

To address product or service gaps, many firms choose to multi-bank or engage specialist lenders to build a resilient financial foundation and secure future funding.

When changing providers, focus on sector expertise, strong relationships, transparent pricing, digital tools, and flexibility to find a partner that supports both your current needs and future goals.

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## FSCS Deposit Protection Limits Increasing in December 2025

The Prudential Regulation Authority (PRA) has proposed that the Financial Services Compensation Scheme (FSCS) deposit protection limits will rise from 1st December 2025 - the first increase since 2017. This change has practical implications for law firms holding client money, particularly regarding documentation and interest arrangements.

### What is Changing?

- The deposit protection limit will rise from £85,000 to £110,000 per individual, and from £170,000 to £220,000 for joint accounts.
- Protection for temporary high balances, such as funds arising from a property sale, insurance pay out, or inheritance, will increase from £1 million to £1.4 million for up to six months.

### Three Suggestions for Best Practice

Firms looking to stay ahead of this important change are encouraged to take the following three actions before the end of December 2025.

**Step 1:** Brief staff with an update on the new limits:

Further details are available in the Bank of England announcement: [The Prudential Regulation Authority proposes raising FSCS deposit protection limit to £110,000.](#)

**Step 2:** Review and amend client-facing documents, including:

Client care letters, terms of business (online and printed), client Interest Policies.

**Step 3:** Review client account interest rates to ensure they remain competitive and compliant with SRA requirements on fair client outcomes.

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## GEMSTONE LEGAL

Finance & risk management for the legal sector

**Paul McCluskey** is the Managing Director of Gemstone Legal, a specialist provider of finance and risk management services to the UK legal sector. Previously the UK Head of Professional Practices at a major UK bank, Paul has an in-depth understanding of law firm finance. He is an approved Lexcel assessor with the Law Society and is accredited by the National Association of Commercial Finance Brokers (NACFB) as an independent finance broker.

Recognised as a leading independent consultant dedicated to law firm finance, Paul supports firms in securing funding to meet working capital needs. His unique specialism lies in helping law firms reduce risk in the management of client money while creating reliable, recurring income streams. Drawing on extensive experience from advising hundreds of practices, Paul delivers practical, results-driven solutions that enhance financial performance and strengthen risk management. Clients consistently highlight the measurable value of his advice and the positive impact it has on their firms.

### **Offer to Recognising Excellence Members**

The FSCS limit increase provides a valuable opportunity to reassess current guidance and policy wording and to consider the overall approach to interest rates. As a Recognising Excellence member we have partnered with one of our Lexcel assessors, Paul McCluskey at Gemstone Legal, to offer members firms the opportunity to review current policies and interest rates free of charge.

Paul is the Managing Director of Gemstone Legal, providing finance and risk management support to UK law firms. As an approved Lexcel assessor, he helps firms build robust risk frameworks aligned with the Lexcel Standard, promoting operational excellence. He advises on optimal structures for client money and debt financing, helping law firms maximise income while minimising risk. Paul also offers ongoing risk and compliance support, including AML audits and COLP services. Before founding Gemstone Legal, he was UK Head of Professional Practices, SME Banking, at Lloyds Bank and Bank of Scotland.

Book at a time that suits you <https://calendly.com/gemstonelegal/letstalk>

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## Q&A with Dafydd

### ASSESSOR SPOTLIGHT - MEET AN ASSESSOR

#### Assessor: Dafydd Thorne

**Experience:** I started teaching and doing research at the Psychology Department at Sheffield University in 1979 and followed a winding academic path teaching different areas of Management until the mid-noughties by which time I was Director of Lifelong Learning at the University of the Arts, London.

At that point, I decided to build on my experience of interview-based research and to go freelance as an IIP, and subsequently, Lexcel and SQE assessor and advisor.

**Specialisms:** I suspect that, like many assessors, I develop a number of bees in my bonnet, as it were, and that my particular interests change over time. Currently, I am particularly focused on own-staff development, so important when recruitment is challenging and made no easier by the farrago that is the SQE, and supporting practices that are attempting to reduce their reliance on paper in the ways in which they work. I am also interested in, and probably always have been, how small and medium high street law practices of similar sizes and offering similar types of legal service can vary so widely in terms of organisational culture.

**Based:** I am based in Plymouth but work right across the South of England as well as making occasional forays into South Wales.

**What do you enjoy most about being an assessor?** I am a big fan of variety so working with a wide range of different people in a wide range of different places is ideal. I am particularly keen on the way that this allows me to share innovative approaches and good practice across my different clients. Confidentially, of course!

**What's one piece of advice you give clients preparing for assessment?** I know how hard it must be to be in charge of compliance in a law firm, so completing the self-assessment checklist, even if you have no intention of sharing it with the assessor, is a good way of checking that you haven't missed anything or let it slip over the previous year. If you have the time, you might well want to employ the services of a 'Mystery Shopper'

**What's the most rewarding part of your job?** The most rewarding things for me are meeting new, and often very interesting people, every day and continuing to learn. Seldom does an assessment go past without me finding out something new or ending up looking at something from a different angle.

**If you weren't an assessor, what would you be doing?** Oh, that's easy. Mixologist... or maybe bass player in a Grateful Dead tribute band? But then again, if the Wales coaching job were to come up again...? In retrospect, being my Careers Teacher must have been a challenge.

**What is your favourite book to read?** I am a big fan of crime fiction, 'noir' rather than 'comfy', and some of my favourites over the past year have come from Peter Morfoot, Chris Lloyd, Chris Hammer, Chris Brookmyre, Adrian McKinty and Kate Atkinson.

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The inclusion of any organisations, or services within this newsletter is intended solely for informational purposes. Recognising Excellence does not assume any responsibility for the entities featured. Readers are encouraged to conduct their own research and make independent decisions based on their own judgment and discretion before engaging with any organisation or service mentioned herein.



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**Thank you for your continued custom, see you in the next edition...**

**Liz & Emma**