



SQE1 & SQE2 · 2026 - 2027

Everything You Need to Know

Ethics

& Professional Conduct



The Ultimate SQE Success Guide.*

This guide is part of a series.

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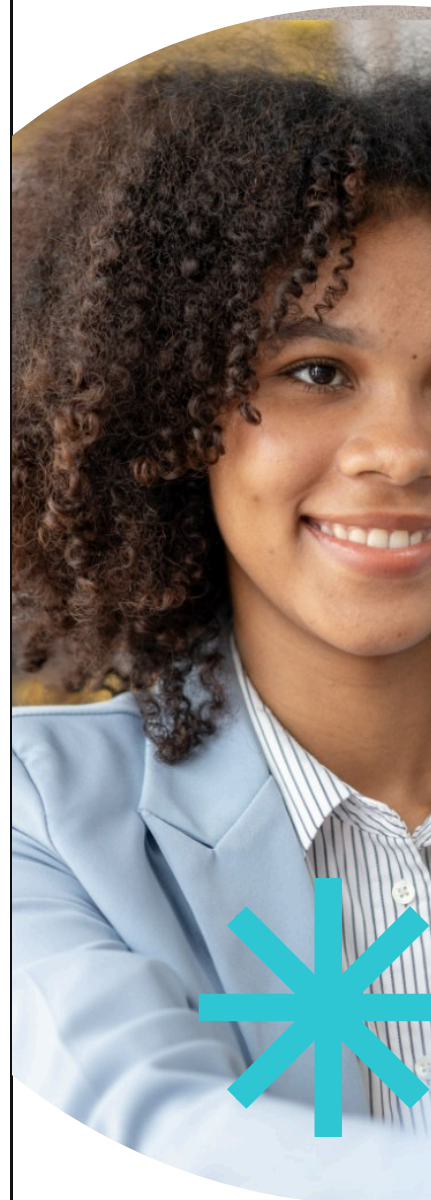
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The one topic that
is in every question.

What is Ethics in the SQE?

Ethics and Professional Conduct has no paper of its own.

It is examined **pervasively**: on SQE1 inside questions on any subject, in any of the four sessions; on SQE2 inside every practice area, where it now has **its own Law marking category**.

Who This Guide is For?

- SQE1 candidates sitting in January or July 2027
- SQE2 candidates in any 2027 window
- Foreign-qualified lawyers new to the SRA rules
- Paralegals and trainees applying the Code during QWE

Why It Matters?

Ethics questions rarely announce themselves. Candidates who know the law still lose marks by missing the conduct issue hidden in a property, probate or litigation scenario. This guide gives you **the rules in the SRA's own words**, a **decision tree for conflicts**, the money laundering essentials and a **method for spotting the issue every time**.

How Ethics Is Examined



No paper, and no warning

Ethics and Professional Conduct is the only SQE1 subject not assigned to a particular session. The SRA examines it **pervasively**: it sits inside questions about other subjects, and **the question will not tell you that it is about ethics**.

SQE1

- Examined “pervasively across each session of FLK1 and FLK2”, so it can appear in any of the four sessions from January 2027.
- Single best answer questions built on “realistic client-based and ethical problems and situations”.
- Ethics and money laundering questions together “can make up to 20% of the questions assessed” in a sitting (money laundering in FLK1 only).
- You are not required to cite statutory or regulatory authorities: you need the rule, not the paragraph number.

SQE2

- Pervasive across all 16 assessments, and issues “will not be flagged”.
- From 1 September 2026, a **third Law criterion** for ethics: marked 0-5 where a station assesses an ethics point, “N/A” where it does not.
- Where ethics is assessed, each of the three Law criteria counts for a third of that station’s Law mark.
- The interview is marked on skills only, so the ethics criterion applies to the attendance note and the other stations.

“

SOLICITORS REGULATION AUTHORITY | SQE2 SPECIFICATION

Ethics and professional conduct issues will not be flagged and candidates will need to identify any ethical and professional conduct issues and exercise judgment to resolve them honestly and with integrity.

SQE2 Assessment Specification, applicable from 1 September 2026

”

Important

Up to 20% is a ceiling, not a quota. The SRA’s figure covers ethics **and** money laundering together, across a whole SQE1 sitting. Because ethics “can be examined across all subject areas”, prepare as if any question could carry a conduct point.

The rulebook you are tested on

The SQE tests the **SRA Standards and Regulations**, read with the law that sits behind them. These are the sources to know, and where each one turns up in the assessments.

Source	What it covers	Where it turns up
SRA Principles	Seven fundamental tenets of ethical behaviour	Every subject, both papers
SRA Code of Conduct for Solicitors, RELs, RFLs and RSLs	Your personal standards, sections 1 to 8. In assessments it is called the "SRA Code of Conduct for Solicitors"	Every subject, both papers
SRA Code of Conduct for Firms	Only the parts on managers in authorised firms and compliance officers (COLP and COFA)	Both papers
Proceeds of Crime Act 2002; Money Laundering Regulations 2017	Money laundering offences, reporting and due diligence	SQE1 FLK1 (Legal Services); SQE2 Business and Property
Financial Services and Markets Act 2000	The financial services framework as it applies to solicitors' firms	SQE1 FLK1; SQE2 Business Law and Practice
Legal Aid, Sentencing and Punishment of Offenders Act 2012, s.56	Statutory ban on referral fees in personal injury business	Referrals and fee sharing
Legal Ombudsman Scheme Rules	When a client can take a complaint further	Client care and complaints
SRA warning notices	How the SRA applies its rules to specific risks	Named in both specifications

What the specification lists

THE SPECIFICATION, WORD FOR WORD (LIST FLATTENED)

SQE1 and SQE2, from 1 September 2026

Candidates are required to demonstrate their ability to act honestly and with integrity, and in accordance with the SRA Standards and Regulations as follows:

- The purpose, scope and content of the SRA Principles
- The purpose, scope and content of the Code of Conduct, which consists of: SRA Code of Conduct for Solicitors, RELs, RFLs, and RSLs (in assessments, this will be referred to as the "SRA Code of Conduct for Solicitors"); SRA Code of Conduct for Firms in relation to: Managers in authorised firms; Compliance Officers.

Quoted from the SQE1 specification. The SQE2 wording is the same in substance.

You need the rule, not the reference. Both specifications say that, outside a few named terms, candidates "are not required to recall specific case names, or cite statutory or regulatory authorities" (the SQE2 Legal Research station is the exception). The paragraph numbers in this guide are there to help you find the source, not to be memorised.

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The SRA Principles



The SRA calls the Principles “the fundamental tenets of ethical behaviour” it expects of everyone it regulates. There are seven, and each completes the same two words. **You act:**

1 **RULE OF LAW**
in a way that upholds the constitutional principle of the rule of law, and the proper administration of justice.

2 **PUBLIC TRUST**
in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

3 **INDEPENDENCE**
with independence.

4 **HONESTY**
with honesty.

5 **INTEGRITY**
with integrity.

6 **EQUALITY**
in a way that encourages equality, diversity and inclusion.

7 **THE CLIENT**
in the best interests of each client.

“

WHEN THE PRINCIPLES CONFLICT

Should the Principles come into conflict, those which safeguard the wider public interest (such as the rule of law, and public confidence in a trustworthy solicitors' profession and a safe and effective market for regulated legal services) take precedence over an individual client's interests.

SRA Principles, introduction (which the SRA notes does not form part of the Principles)

”

Honesty and integrity are two Principles, not one. Our tip: treat integrity as the wider standard. Conduct can fall short of integrity without being dishonest, so an answer that is “not technically a lie” can still be the wrong one.

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The Code of Conduct at a glance

Our one-line summary of every paragraph, so you can see the whole Code on one page. Where this guide quotes the Code word for word, it says so.

SECTION 1

Maintaining trust and acting fairly

- 1.1 No unfair discrimination
- 1.2 No abusing your position by taking unfair advantage
- 1.3 Perform every undertaking, on time
- 1.4 Never mislead clients, the court or others
- 1.5 Treat colleagues fairly; no bullying or harassment

SECTION 2

Dispute resolution and proceedings

- 2.1-2.3 No tampering with evidence or witnesses
- 2.4 Only properly arguable submissions
- 2.5 No contempt; comply with court orders
- 2.6 Don't waste the court's time
- 2.7 Draw the court's attention to relevant law

SECTION 3

Service and competence

- 3.1 Act only on proper instructions
- 3.2 Competent, timely service
- 3.3 Keep your knowledge and skills up to date
- 3.4 Account for the client's needs and circumstances
- 3.5-3.6 Supervise; stay accountable for others

SECTION 4

Client money and assets

- 4.1 Account for financial benefits, unless agreed
- 4.2 Safeguard money and assets
- 4.3 Don't personally hold client money unless permitted

SECTION 5

Business requirements

- 5.1 Referrals: disclose interests and fee sharing
- 5.2 Apparent referral fees treated as such unless shown otherwise
- 5.3 Separate businesses need informed consent
- 5.4-5.6 Firm names, annual return, insurance

SECTION 6

Conflict, confidentiality and disclosure

- 6.1 Own interest conflict: do not act
- 6.2 Client conflict: two narrow exceptions
- 6.3 Keep clients' affairs confidential
- 6.4 Tell your client everything material
- 6.5 Acting against a client whose information you hold

SECTION 7

Cooperation and accountability

- 7.1-7.2 Follow the law; be able to justify decisions
- 7.3-7.5 Cooperate with the SRA; never obstruct reports
- 7.6-7.8 Notify and report serious breaches promptly
- 7.9-7.12 Protect reporters; be open when things go wrong

SECTION 8

Services to the public

- 8.1 Identify who you are acting for
- 8.2-8.5 Complaints: written, within 8 weeks, free
- 8.6-8.7 Clear information and the best possible costs information
- 8.8-8.11 Accurate publicity; no unsolicited approaches; explain regulation



CHAPTER THREE · CODE OF CONDUCT, SECTION 6

Conflicts, Confidentiality & Disclosure

Section 6 of the Code is where the hardest SQE ethics questions live: one client's interests against another's, your own interests against your client's, and the information you hold about everyone. Three questions decide most scenarios: **Can I act? What must I tell? What must I keep back?**

Conflicts of interest

There are two kinds of conflict, and the Code treats them very differently. An **own interest conflict** has no exception at all. A **conflict between clients** has two narrow exceptions, and both come with strict conditions.

CODE 6.1, WORD FOR WORD

Own interest conflict

You do not act if there is an own interest conflict or a significant risk of such a conflict.

CODE 6.2, WORD FOR WORD

Conflict between clients

You do not act in relation to a matter or particular aspect of it if you have a conflict of interest or a significant risk of such a conflict in relation to that matter or aspect of it, unless:

- (a) the clients have a substantially common interest in relation to the matter or the aspect of it, as appropriate; or
- (b) the clients are competing for the same objective, and the conditions below are met, namely that:
 - (i) all the clients have given informed consent, given or evidenced in writing, to you acting;
 - (ii) where appropriate, you put in place effective safeguards to protect your clients' confidential information; and
 - (iii) you are satisfied it is reasonable for you to act for all the clients.

The words that decide the question

Own interest conflict

"means any situation where your duty to act in the best interests of any client in relation to a matter conflicts, or there is a significant risk that it may conflict, with your own interests in relation to that or a related matter"

Conflict of interest

"means a situation where your separate duties to act in the best interests of two or more clients in relation to the same or a related matters [sic] conflict."

Substantially common interest

"means a situation where there is a clear common purpose between the clients and a strong consensus on how it is to be achieved"

Competing for the same objective

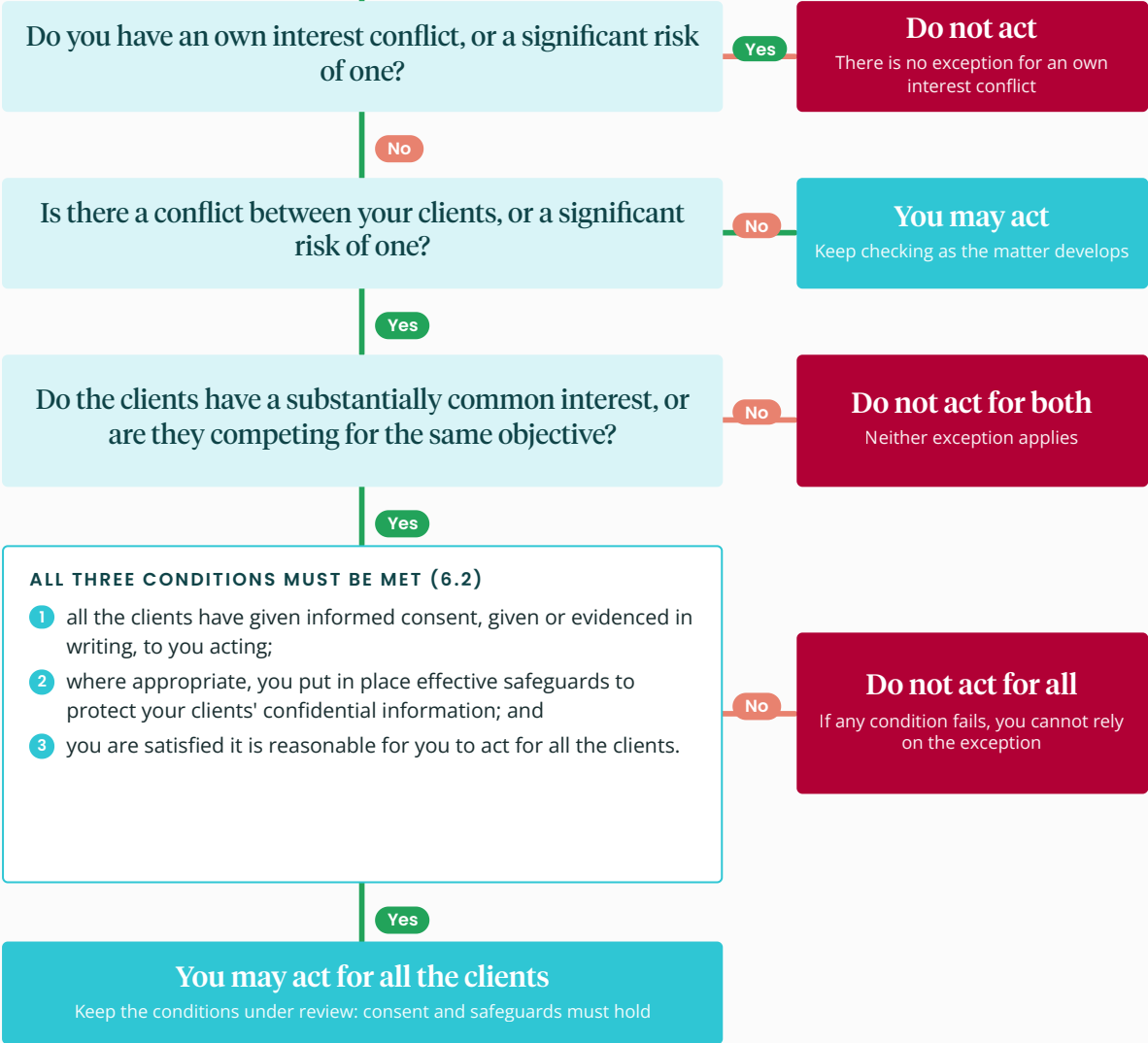
"means any situation in which two or more clients are competing for an 'objective' which, if attained by one client, will make that 'objective' unattainable to the other client or clients, and 'objective' means an asset, contract or business opportunity which two or more clients are seeking to acquire or recover through a liquidation (or some other form of insolvency process) or by means of an auction or tender process or a bid or offer, but not a public takeover"

SRA Glossary, word for word. The Glossary does not define "informed consent".

The conditions apply to both exceptions. The SRA's conflicts guidance says so in terms: "You can only rely on either exception if a specific set of conditions are all met". So a substantially common interest without every client's informed consent, given or evidenced in writing, still means you cannot act.

Can I act?

CONFLICTS OF INTEREST · CODE PARAGRAPHS 6.1 AND 6.2



Built from Code paragraphs 6.1 and 6.2 and the SRA's conflicts guidance, which confirms that the three conditions apply to both exceptions. Even where you may act, your duties of confidentiality (6.3) and disclosure (6.4) are owed to each client separately: if information material to one is confidential to the other, you need effective safeguards or informed consent under 6.4(b); otherwise you must not act, or stop acting, for one or both.

The Conflict Decision Tree



Confidentiality and disclosure

Confidentiality and disclosure are two sides of one relationship: you keep a client's affairs from everyone else, and you tell the client everything material. Paragraph 6.5 deals with what happens when the information you hold about one client matters to another.

CODE 6.3, WORD FOR WORD

Confidentiality

You keep the affairs of current and former clients confidential unless disclosure is required or permitted by law or the client consents.

CODE 6.4, WORD FOR WORD

Duty of disclosure

Where you are acting for a client on a matter, you make the client aware of all information material to the matter of which you have knowledge, except when:

- (a) the disclosure of the information is prohibited by legal restrictions imposed in the interests of national security or the prevention of crime;
- (b) your client gives informed consent, given or evidenced in writing, to the information not being disclosed to them;
- (c) you have reason to believe that serious physical or mental injury will be caused to your client or another if the information is disclosed; or
- (d) the information is contained in a privileged document that you have knowledge of only because it has been mistakenly disclosed.

CODE 6.5, WORD FOR WORD

Acting against a client whose information you hold

You do not act for a client in a matter where that client has an interest adverse to the interest of another current or former client of you or your business or employer, for whom you or your business or employer holds confidential information which is material to that matter, unless:

- (a) effective measures have been taken which result in there being no real risk of disclosure of the confidential information; or
- (b) the current or former client whose information you or your business or employer holds has given informed consent, given or evidenced in writing, to you acting, including to any measures taken to protect their information.

Confidentiality outlives the retainer

6.3 protects the affairs of **current and former** clients. Finishing the matter does not end the duty.

Disclosure meets money laundering

6.4(a) is why you must not tell a client about a suspicious activity report: tipping off is a crime, and disclosure prohibited by law falls outside the duty.

Spot the collision. If information you hold is material to client A but confidential to client B, 6.4 says tell A and 6.3 says don't. You can act for both only with effective safeguards or informed consent (6.4(b)); otherwise you cannot act for A on that matter, or must stop acting for one or both.

4 Your Duties in Practice



Undertakings

SRA GLOSSARY, WORD FOR WORD

Undertaking

means a statement, given orally or in writing, whether or not it includes the word “undertake” or “undertaking”, to someone who reasonably places reliance on it, that you or a third party will do something or cause something to be done, or refrain from doing something

CODE 1.3, WORD FOR WORD

Performing undertakings

You perform all undertakings given by you, and do so within an agreed timescale or if no timescale has been agreed then within a reasonable amount of time.

No magic words

Oral promises count, and the word “undertake” is not needed. Reliance is what matters.

Third parties too

It can be a promise that someone else will act. You are still the one who must perform it.

Our advice

Only give undertakings that are within your control, and be precise about what and by when.

Your duty to the court

CODE 1.4, WORD FOR WORD

Never mislead

You do not mislead or attempt to mislead your clients, the court or others, either by your own acts or omissions or allowing or being complicit in the acts or omissions of others (including your client).

Arguable, and complete

You only put forward submissions which are “properly arguable” (2.4), and you draw the court’s attention to relevant cases, statutory provisions and procedural irregularities likely to have a material effect on the outcome (2.7), even when they hurt your client.

The classic scenario

Your client privately admits the offence but wants to plead not guilty. You may still put the prosecution to proof, but you cannot advance a defence you know is false or call evidence you know is untrue. If the client insists on giving evidence denying guilt, or on running a defence you know is false, you must cease to act, and confidentiality (6.3) means you do not tell the court why.

Instructions and service

CODE 3.1, WORD FOR WORD (EXTRACT)

Instructions

You only act for clients on instructions from the client, or from someone properly authorised to provide instructions on their behalf. If you have reason to suspect that the instructions do not represent your client's wishes, you do not act unless you have satisfied yourself that they do.

Who is the client?

"You identify who you are acting for in relation to any matter" (8.1). A relative who pays, books or translates is not automatically your client.

Competence and needs

Your service must be competent and delivered in a timely manner (3.2), and you consider and take account of your client's attributes, needs and circumstances (3.4).

Costs information

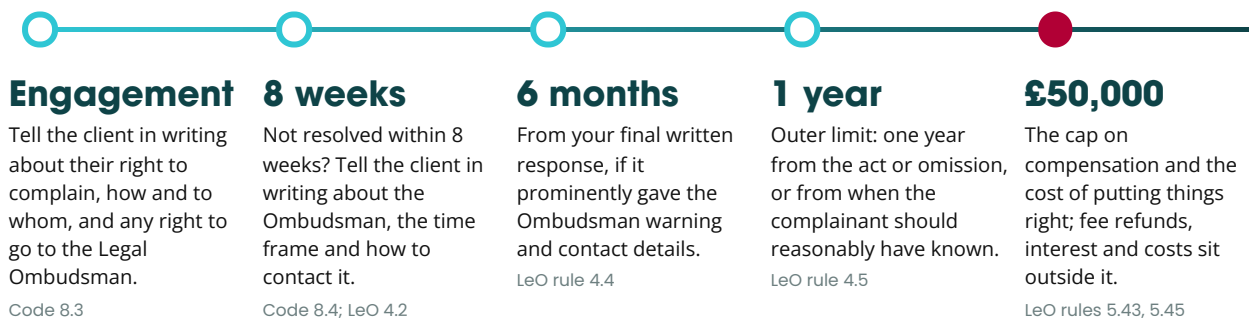
CODE 8.7, WORD FOR WORD

Pricing and cost

You ensure that clients receive the best possible information about how their matter will be priced and, both at the time of engagement and when appropriate as their matter progresses, about the likely overall cost of the matter and any costs incurred.

Complaints and the Legal Ombudsman

The Code (8.2-8.5) and the Legal Ombudsman Scheme Rules (from 1 April 2023) fit together like this. Complaints must be dealt with "promptly, fairly, and free of charge" (8.5).



Old textbooks say six years. Before 1 April 2023 the outer limits were six years from the problem, or three years from awareness. The current rule is one year, and an ombudsman can extend any time limit where it is fair and reasonable (rule 4.7).

Referrals, fee sharing and financial benefits

CODE 4.1, WORD FOR WORD

Financial benefits

You properly account to clients for any financial benefit you receive as a result of their instructions, except where they have agreed otherwise.

Referrals and introducers (5.1-5.2)

- Tell clients about any financial or other interest in a referral, and about any relevant fee sharing.
- Fee sharing agreements must be in writing.
- No referral payments for clients who are the subject of criminal proceedings.
- A payment the SRA thinks is a referral fee is treated as one unless you show otherwise.

The statutory ban (LASPO s.56)

Paying for, or being paid for, the referral of personal injury and death claims ("prescribed legal business") is banned by statute. "Payment" includes any form of consideration, but not hospitality that is reasonable in the circumstances.

Our summary of s.56(1), (4) and (8).

Reporting, cooperation and openness

CODE 7.7, WORD FOR WORD

Reporting serious breaches

You report promptly to the SRA or another approved regulator, as appropriate, any facts or matters that you reasonably believe are capable of amounting to a serious breach of their regulatory arrangements by any person regulated by them (including you).

Cooperate

Cooperate with the SRA, other regulators and ombudsmen (7.3), respond promptly (7.4), and never try to stop anyone giving information to the SRA (7.5).

Notify and protect

Notify the SRA of any criminal charge, conviction or caution and relevant insolvency events (7.6). Never treat someone badly for reporting (7.9). Telling your COLP or COFA satisfies a duty to inform the SRA (7.12).

Be open

Be "honest and open with clients if things go wrong" and, if a client suffers loss or harm, put matters right if possible and explain fully and promptly (7.11).

Managers and compliance officers

Managers are responsible for compliance by their firm with the Code for Firms, and the responsibility is **joint and several** where it is shared (Code for Firms 8.1). The **COLP** takes all reasonable steps to ensure compliance with the firm's authorisation and the SRA's regulatory arrangements and reports serious breaches (9.1); the **COFA** does the same for the SRA Accounts Rules (9.2).

Money Laundering

Money laundering is examined alongside ethics on both papers (on SQE1 it shares the “up to 20%”): on **SQE1** within Legal Services in **FLK1**, and on **SQE2** within Business Law and Practice and, from 1 September 2026, **Property Practice**. The Money Laundering Regulations 2017 changed on **30 June 2026**, inside the law cut-off for every 2027 sitting.

The offences

- | | |
|---------------|--|
| s.327 | Concealing, disguising, converting, transferring or removing criminal property |
| s.328 | Entering into or becoming concerned in an arrangement you know or suspect facilitates the acquisition, retention, use or control of criminal property by or for another |
| s.329 | Acquiring, using or possessing criminal property (adequate consideration is a defence) |
| s.330 | Failure to disclose in the regulated sector: knowing, suspecting or having reasonable grounds to suspect, and not reporting to the nominated officer or the NCA as soon as practicable |
| s.333A | Tipping off: disclosing that a report has been made, or that an investigation is contemplated or under way, where likely to prejudice an investigation |

Maximum sentences on indictment: 14 years (ss.327-329), 5 years (s.330), 2 years (s.333A). Proceeds of Crime Act 2002, our summary.

The defence: report first

An **authorised disclosure** (s.338) made before you act, plus the **appropriate consent** (s.335), is a defence to ss.327-329. The NCA calls this a **DAML** (defence against money laundering).

7 working days The notice period, starting the first working day after the disclosure. No refusal by the end of it: you have the defence.

31 days If refused, the moratorium runs from the day you receive the refusal. A court can extend it, by no more than 186 days in total (s.336A).

Privilege s.330 has an exception for information received in privileged circumstances, which does not apply where it is given to further a criminal purpose.

“...neither gives the reporter ‘approval’, ‘permission’ or ‘clearance’ to undertake the intended activity” (NCA, December 2025)

Report before you act. Never tip off.
Due diligence before money moves.



Customer due diligence (MLR 2017, as amended 30 June 2026)

When you must apply CDD (reg 27)

- Establishing a business relationship
- An occasional transaction of **£12,000 or more**, in one operation or several that appear linked (was 15,000 euros)
- Suspicion of money laundering or terrorist financing
- Doubts about documents or information already obtained

What CDD means (regs 28, 30, 31)

- Identify and verify the customer, and the beneficial owner
- Understand the purpose and intended nature of the relationship
- Verify **before** the relationship or transaction (narrow exception)
- Can't complete CDD? Don't act, end the relationship, and consider a report

Enhanced due diligence

Regulation 33 requires enhanced due diligence and enhanced ongoing monitoring, including where:

- the case is identified as **high risk** of money laundering or terrorist financing;
- a party is established in a **"FATF call for action country"** (since 30 June 2026; this replaced "high-risk third country", which also covered FATF 'increased monitoring' countries, so links to those are now a risk factor to weigh rather than an automatic trigger);
- the customer is a **PEP**, or a family member or known close associate of one: senior management approval, source of wealth and source of funds, and enhanced ongoing monitoring (reg 35). For a **domestic** (UK) PEP the starting point is a lower level of risk than for a non-domestic PEP, so EDD can be less extensive if no enhanced risk factors are present, but it still applies;
- the customer has provided **false or stolen identification** and you propose to continue;
- a transaction is **unusually complex or unusually large**, there is an **unusual pattern**, or there is **no apparent economic or legal purpose**.

Red flags to train your eye on

Our summary of patterns that should make you stop and think. None is proof on its own; each is a reason to ask questions.

- Funds from an unexpected third party, or a source the client can't explain
- Money through client account with no underlying legal work (the SRA has a warning notice on using client account as a banking facility)
- Reluctance to provide identification or beneficial ownership details
- Unexplained urgency, or a client happy to overpay fees or the price
- A structure or transaction with no apparent economic or legal purpose
- Late changes to where money should be sent
- Links to a FATF call for action or increased-monitoring country
- Property bought or sold well away from market value, or resold quickly

Important

Thresholds and terms changed on **30 June 2026** (S.I. 2026/621): **£12,000** replaces 15,000 euros for occasional transactions, **£800** replaces 1,000 euros for transfers of funds, and in regulation 33 **"FATF call for action country"** (the call-for-action list only) replaces "high-risk third country" (which also covered the increased-monitoring list), so the automatic EDD trigger is narrower. Update any notes written before then.

SRA warning notices to know

Both specifications say questions can be based on situations “set out in relevant SRA warning notices, such as those relating to Non-Disclosure Agreements (NDAs) and Strategic Lawsuits against Public Participation (SLAPPs)”. The NDA and SLAPP notices each say the SRA “will have regard to it when exercising our regulatory functions” (several older notices say “may have regard”).

Use of non-disclosure agreements (NDAs)

Updated 6 August 2024

“Neither this warning notice nor our Standards and Regulations prohibit the use of NDAs.” But they are improperly used if used to prevent, or seek to impede or deter, a person from (among other things):

- co-operating with a criminal investigation or prosecution
- reporting an offence to a law enforcement agency
- reporting misconduct, or a serious breach of our regulatory requirements to us, or making an equivalent report to any other body responsible for supervising or regulating the matters in question

Strategic Lawsuits against Public Participation (SLAPPs)

Updated 31 May 2024

“Strategic lawsuits against public participation (SLAPPs) are a misuse of the legal system, through bringing or threatening claims that are unmeritorious or characterised by abusive tactics, in order to stifle lawful scrutiny and publication, including on matters of corruption or wrongdoing.”

The notice points to the Economic Crime and Corporate Transparency Act 2023, which defines the characteristics of a SLAPP in law in the context of economic crime.

The other current warning notices

Misuse of AI	17 August 2026
Compliance with the money laundering regulations: firm risk assessment	updated 19 June 2026
Money laundering and terrorist financing	updated 19 June 2026
Client and matter risk assessments	updated 19 June 2026
‘No win, no fee’ and other fee arrangements in high-volume consumer claims	28 January 2026
Money laundering and terrorist financing suspicious activity reports	updated 24 November 2025
Marketing your services to members of the public	19 December 2024
Money missing from client account	21 June 2024
Mergers, acquisitions and sales of law firms	17 June 2024
High-volume financial service claims	2 May 2024
Immigration work	27 September 2023
Improper use of client account as a banking facility	updated 1 March 2023
Investment schemes	updated 17 August 2020
Offensive communications	updated 25 November 2019
Tax avoidance: your duties	updated 25 November 2019
Referral fees, LASPO and SRA Principles	updated 25 November 2019
Bogus law firms and identity theft	updated 25 November 2019

Read the notices for the practice areas you are examined in. When a scenario looks like one, such as a settlement clause that stops someone reporting to the police or the SRA, or an aggressive letter threatening a journalist, ask which Principle and which part of the Code it engages. Most are listed at sra.org.uk under guidance, filtered by warning notices; the ‘No win, no fee’ notice is missing from that filter but is linked from the Principles and Code pages. The list above was checked on 1 October 2026.



Answering Ethics Questions

The SPOT method

Our four-step routine for any scenario, on either paper. It takes seconds once it is a habit, and it is how you find the issue the SRA will not flag.

S

Scan the people

Who is the client (8.1)?
Who else is involved: the other side, a third party paying or instructing, the court, the SRA?

P

Pinpoint the duty

Which Principle or part of the Code is engaged: conflict, confidentiality, disclosure, an undertaking, misleading, money, competence, costs?

O

Options and exceptions

Does an exception apply, and are its conditions met? Look for "informed consent, given or evidenced in writing".

T

Take the action

Act, decline, cease to act, disclose, report (SRA, nominated officer, NCA) or advise. Then check the action itself breaches nothing.

A worked example

Scenario. You act for two brothers buying a restaurant business together. One of them calls you privately: he has agreed a side payment from the seller and asks you not to mention it to his brother. The completion meeting is tomorrow.

S

Two clients in the same matter. Each is owed the duties in section 6 separately.

P

The side payment is material to the other brother (6.4). The caller wants it kept confidential (6.3). Their interests now conflict (6.2).

O

The common purpose has gone, so the 6.2 exception no longer fits, and the brother kept in the dark cannot consent (6.4(b)) to not being told something he does not know.

T

Ask the caller to disclose it, or to let you. If he refuses, you cannot reveal it (6.3) or carry on as if nothing happened (1.4, 6.4): cease acting for both. Consider whether the payment raises money laundering concerns.

How the right answer usually looks

- **Public interest beats a client's interest** when Principles conflict, as the SRA's introduction to the Principles says.
- **Consent can fix some problems, not all.** It works inside 6.2, 6.3, 6.4(b) and 6.5(b). It never cures an own interest conflict, and no client can authorise you to mislead the court or anyone else.
- **"Given or evidenced in writing"** is a condition, not a formality: oral agreement alone fails it.
- **Know who you report to:** the SRA for serious breaches (7.7), your nominated officer or the NCA for money laundering (s.330), the Legal Ombudsman for client complaints you have not resolved within 8 weeks or by your final response.
- **Ceasing to act** ends the retainer, not the duty of confidentiality.
- **On SQE2, write it down.** Where a station assesses ethics, name the issue and say how you would resolve it.

Read every scenario twice

Once for the law, once for the conduct. The ethics point will not be flagged.

Build the second read into your timing: at 108 seconds a question on SQE1 from January 2027, a ten-second scan for people, money and promises is affordable. On SQE2, do it before you plan your answer, not after.

Learn the exceptions word for word

Most ethics answers turn on whether an exception applies and its conditions are met.

Know 6.2 (two exceptions, three conditions), 6.4 (four exceptions) and 6.5 (two routes) well enough to test each option against them. The wrong answers are usually right about the rule and wrong about the exception.

Know who you report to

SRA, COLP, nominated officer, NCA, Legal Ombudsman: each has its own job.

Serious breaches go to the SRA (7.7), and telling your COLP or COFA satisfies the duty (7.12). Money laundering suspicions go to your nominated officer or the NCA (s.330). Unresolved client complaints go to the Legal Ombudsman.

Use the law in force for your sitting

Every 2027 sitting is examined on the law four calendar months before its window opens.

That puts the 30 June 2026 money laundering changes in scope for all of 2027: £12,000, £800 and "FATF call for action country". It also means the current Code, in effect from 11 April 2025, which includes 1.5 (added in 2023) that older textbooks may lack.

Your Ethics Red-Flag Scan

Run every scenario past these questions before you choose an answer, on SQE1 and SQE2 alike. One “yes” means there is a conduct issue to deal with.

The people

- ☐ Is it clear who my client is? (8.1)
- ☐ Are instructions coming from someone other than the client, and are they properly authorised? (3.1)
- ☐ Is the client vulnerable, under pressure or unusually reliant on someone else? (3.4)

Conflicts and information

- ☐ Do I, my firm or someone close to me have an interest in the outcome? (6.1)
- ☐ Do two clients want different things from the same matter? (6.2)
- ☐ Do we hold confidential information about someone on the other side? (6.5)
- ☐ Is there something material my client does not know? (6.4)

The court and others

- ☐ Would anything said, filed or left unsaid mislead the court or anyone else? (1.4)
- ☐ Is there an authority or irregularity the court must hear about, even if it hurts us? (2.7)
- ☐ Have I promised anything, in any words, that someone will rely on? (undertaking, 1.3)

Money

- ☐ Do the source of funds and the shape of the transaction make sense? (POCA; MLR reg 33)
- ☐ Is money moving through client account with no legal work behind it? (warning notice)
- ☐ Would telling the client about a report tip them off? (s.333A; 6.4(a))
- ☐ Is there a financial benefit to account for, or a referral to disclose? (4.1; 5.1)

Afterwards

- ☐ Is there something I must report to the SRA, or that my COLP must know? (7.7; 7.12)
- ☐ Has something gone wrong that I must be open with the client about? (7.11)

Make ethics a habit

STEP 1

Revise a subject as normal

Then go back through your notes and mark every point where a conduct issue could arise: a second client, a payment, a promise, a deadline.

STEP 3

Practise under time

Timed practice is where the second read becomes automatic. Use the SRA's sample questions for conduct points; free full-length FQPS FLK1 and FLK2 mocks (no ethics questions yet) build your pace.

STEP 5

Carry it into SQE2

In attendance notes and written tasks, name the ethics issue and say how you would resolve it.

STEP 2

Ask the three questions

For each topic: who is my client, what do I owe them, and what do I owe everyone else, from the court to the SRA?

STEP 4

Review with SPOT

For every question you miss, write down the Principle or the part of the Code the right answer relied on.

STEP 6

Go further when you're ready

See what each FQPS plan includes on our [pricing page](#).

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Ethics is easier when you practise it inside every subject. The SRA's own SQE1 sample questions include conduct points: run SPOT on each one.



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