

# The impact of Covid-19 on professionals

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## **Please note: the information contained in our legal updates are correct as of the original date of publication**

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We are now three weeks into the lockdown which has seen many professional firms move completely to homeworking. It is important to be mindful that these new working conditions will take many teams a while to adapt to and, if not done adequately, may affect the delivery of services and expose the business to preventable risks.

Individuals working remotely together with flexible working hours to accommodate child care arrangements, could lead to poor communication within the business and with clients. In addition to this staff absences due to illness, isolation or furlough could lead to available resources being allocated to unfamiliar matters. These changes to working may increase the amount of errors and, in turn, potential negligence claims.

Past experience tells us that poor communication can be a key driver of claims. From the outset businesses must be clear with clients about the contingency plans in place to respond to the pandemic and if the service they are offering is likely to be delayed. Within the business, teams should ensure they schedule regular catch ups and have up to date notes of all work to ensure that where there are staff absences colleagues can respond quickly and without error.

Regulators and professional bodies have been quick to respond to the crisis and support businesses. The Royal Institute of Chartered Surveyors (RICS) and the Law Society have both issued prompt guidance to support businesses to deal with uncertainty and the changes in working environments. The Financial Conduct Authority (FCA), Financial Reporting Council (FRC) and the Prudential Authority (PRA) issued a Covid-19 joint statement on 26 March 2020. Such guidance is aimed at supporting the professions through this difficult and unprecedented time and professionals must keep abreast of such guidance together with the Government guidance to ensure they are aware of any amendments and any regulatory or legal changes. As is the nature of the pandemic, changes to guidance and law are fast moving and it would be sensible for professionals to set up a working group to stay up to date with the relevant changes and disseminate them within the business, were necessary, so as to reduce the impact of changes and continue to offer a high level of service to clients. If changes are missed, this is likely to lead to an increase in claims against the business.

Turning to our own sector as an example, there has been a significant shift in the conduct of civil litigation over a short space of time as a direct result of the pandemic. New protocols relating to personal injury and extensions of time have been implemented, with the Courts moving towards remote hearings for even the most complex of cases. Legal advisors are expected to respond to the pandemic sensibly and to agree pragmatic solutions with each other.

The horizon is uncertain, but we do know that the disruption caused by Covid-19 is likely to result in a recession, and from past experience we know that such a recession is likely to result in an increase in professional negligence claims. Though lessons will have

been learned from the 2008 recession professionals must respond quickly to the pandemic, put in place a clear risk strategy and stay up to date with changes in the law and guidance with a view to limiting, where possible, any potential claims against the business.

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