How UK Law Firms Are Adapting to AI and Technology: Key Insights from the Legal Trends Report

Written by Louise Donnery

The UK legal industry is undergoing a seismic shift driven by technological advancements and artificial intelligence (AI). For the first time in its nine-year history, Clio's *Legal Trends Report* includes supplementary UK-specific research, shedding light on how law firms across Britain embrace these changes to meet evolving client demands and position themselves for growth.

Here are the key findings from this year's report, revealing how technology and AI are reshaping the legal sector in the UK.

AI adoption accelerates across UK law firms

Artificial intelligence is no longer an emerging trend—it's a cornerstone of modern legal practice. According to Clio's findings, **96% of UK law firms** now integrate AI into their operations, and **62% of solicitors** plan to expand AI use over the next year.

AI offers significant benefits in legal practice. It eases legal professionals' workloads by automating repetitive, time-intensive tasks, enabling them to focus on high-value work and client service. The critical applications of AI include:

- Document drafting and automation (36%)
- Contract review and analysis (29%)
- Non-legal AI tools (24%)
- E-discovery solutions (20%)
- Legal research (17%)

While these tools enhance productivity, improve work quality, and contribute to solicitor well-being, they also come with challenges such as data security and ethical considerations. **43% of UK solicitors** say AI has boosted their productivity, while over **20% report better mental health and work-life balance.**

Major technology investments ahead

With AI adoption accelerating, UK law firms are planning major investments in technology to maintain a competitive edge. Clio's research reveals that **34% of firms are set to invest over £100,000 in technology over the next year.**

These investments extend beyond AI. Legal professionals are focusing on tools that improve efficiency, client experience, and business growth. Marketing is another priority, with **36% of firms** planning to invest in client acquisition and engagement tools.

This strategic alignment highlights the crucial role of technology in meeting rising client expectations while driving firm growth. It's not just about adopting AI, but about leveraging technology to enhance client experience and deliver value.

The shift to fixed-fee billing

Client demand for transparency is reshaping billing models. Traditional hourly billing is increasingly replaced by fixed-fee billing, with **54% of UK firms** anticipating a significant shift in the coming year.

Fixed fees offer greater cost predictability, which is crucial for clients. As Clio CEO and founder Jack Newton observes, *"AI might finally be the death knell for the billable hour."*

Legal billing technology enables automation, allowing firms to move away from time-based billing and focus on delivering value.

The power of diverse client communication channels

Client communication preferences are evolving, with Clio's research highlighting a shift toward a mix of traditional and digital channels. While **phone calls** remain a go-to method for **45% of clients**, digital alternatives are gaining significant traction:

- **43%** prefer interacting through websites
  42% are comfortable using chatbots
  39% favour mobile apps for seamless communication
  38%– still rely on email

Law firms must adapt to these varied preferences to strengthen client relationships and boost retention. By offering multiple communication options, firms can provide a personalized experience that meets each client's unique needs.

Implications for UK firms

Clio's latest report highlights a transformative trend: **UK law firms are embracing technology not just as a tool but as a strategic advantage.**

From AI adoption to hybrid client communication and flexible billing models, firms are positioning themselves to deliver greater value, enhance client satisfaction, and achieve sustainable growth. This shift toward technology-driven efficiency and client-centric strategies paints an optimistic picture for the future of the UK legal industry.

The supplementary UK research provides invaluable insights tailored specifically to the British legal market, making this report a must-read for legal professionals eager to stay ahead of industry changes. With technology investments and AI adoption set to accelerate, UK law firms are well-equipped to thrive in an increasingly competitive and client-focused landscape.

Where did this data come from?

Each October, Clio launches its *Legal Trends Report*, which includes data from tens of thousands of Clio users and survey responses from more than 1,000 legal professionals and over 1,000 consumers across North America. This year, Clio conducted additional UK-specific research on legal trends to supplement the findings of the main report. The research was conducted by Censuswide with a sample of 500 Solicitors working in UK law firms (Aged 24+). The survey fieldwork took place between 27 – 30 September 2024. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles, and are members of The British Polling Council.

To explore the full findings, including UK-specific insights, infographics, and key stats, download Clio's latest *Legal Trends Report.*

About Clio

Clio is the global leader in legal AI, powering legal work across the profession, from law firms of every size to corporate legal teams, government agencies, and courts. Its Intelligent Legal Work Platform unites the business and practice of law, connecting the people, information, and processes behind legal work. Clio's AI brings the context together with legal sources drawn from Clio Library, a growing collection of more than one billion legal documents. Over 400,000 legal professionals in more than 130 countries rely on Clio to run their legal world. Learn more at www.clio.com.