



9 sections

Sourced citations

Independent research

Practitioner-led analysis

# The AI Mismatch

How Mis-Selling and Misunderstanding Are Creating a New Risk for the Legal Profession

200+ LegalTech AI vendors targeting UK firms

25% of UK law firms have a written AI policy in place

WHITE PAPER

# Executive Summary

The UK legal profession is being asked to absorb artificial intelligence faster than at any point in its modern history. Case management vendors, document management houses, contract review platforms, conveyancing portals and a wave of new entrants are all selling the same story: that AI can be embedded into the systems law firms already use, that it will collapse drafting time, that it will industrialise research, that it will scale advice. None of this is accurate in the way it is sold. AI is not a software upgrade. AI is not a module. AI is not a research feature. AI is an external intelligence — powerful, capable, but unreliable — and it cannot be embedded into legacy law firm infrastructure. Yet a growing number of “AI product providers” are selling solutions that imply exactly this. Firms that adopt them are unknowingly increasing review burden, exposing themselves to court sanction, and creating a new layer of regulatory and PII risk in a profession where the duty to the court, the duty of confidentiality, and the personal responsibility for every document filed all sit on the human practitioner. This white paper explains the mismatch, the mis-selling, and the correct model for solicitors adopting AI.

## 69–88%

hallucination rates have been documented when large language models are asked legal questions — the highest of any tested professional domain. Even purpose-built legal AI tools hallucinate in 17–34% of queries.

Source: SQ Magazine, “LLM Hallucination Statistics,” 2026; Stanford RegLab, “Hallucinating Law,” 2024

## The Profession at a Glance

167,000 practising solicitors across 9,500 regulated firms in England and Wales, plus 12,500 barristers and 5,000 CILEx members. Around 200 LegalTech AI vendors now actively marketing into UK law. Roughly one in four firms has a written AI policy. Hundreds of court filings worldwide have already been found to contain hallucinated case citations — including in the UK High Court and First-tier Tribunal. The duty to the court has not changed. The signature on the document is still the lawyer’s.

## SECTION 1

# The Foundational Misunderstanding

Most solicitors have been encouraged to think of AI as the next iteration of legal software: a smarter version of the case management system, a new module bolted to the document management platform, a “research assistant” pinned to the corner of the screen. This framing is wrong. Today’s AI systems — large language models and agentic systems — are not tools in the traditional sense. They are external intelligences that reason, draft, summarise, redline, research, plan and respond. They are astonishingly capable. They are also probabilistic, occasionally inaccurate, and not natively integrated into anything. This misunderstanding is the root of the mis-selling problem now visible across the legal sector — and it is the reason hallucinated citations have already reached the courts.

## 25%

of UK law firms have a written AI policy in place — yet a clear majority of fee-earners have already used a public AI tool on client work.

Source: SRA Risk Outlook 2024/25; LexisNexis surveys of UK lawyers, 2024

*AI is not software. It is not a research module. It is not a drafting feature. It is intelligence. And intelligence cannot be embedded into a legacy law firm system.*

## How Firms Are Told AI Works vs How AI Actually Works

## The Vendor Narrative

Case Management → “AI Module” → Filed Document

AI as a component slotted into the practice stack. Deterministic. Predictable. Embedded.

This is impossible.

VS

## The Reality

Solicitor ↔ “External AI Intelligence” ↔ Practice Stack

AI as an external entity that works alongside systems. Probabilistic. Variable. Supervised.

This is the correct model.

# 70%+

of fee-earners surveyed have used a public AI tool (ChatGPT, Copilot, Gemini) at work — often without firm policy, supervision or training in place.

Source: LexisNexis / surveys of UK lawyers, 2024

## SECTION 2

## The Rise of AI Product Providers

A wave of vendors has rushed into the legal market offering “AI legal research”, “AI contract drafting”, “AI redlining”, “AI matter summarisers”, “AI conveyancing assistants” and “AI paralegals”. The big incumbents have moved at speed: Lexis+ AI, CoCounsel and Westlaw Precision with AI, the long-established Luminance and Kira / Litera, and case management platforms layering on AI features (Clio Duo, LEAP AI, Actionstep AI). Around them, a new generation of pure-play LegalTech — Harvey, Spellbook, Robin AI, Genie AI, Della AI, Definely, Lawhive, Juro, Orbital Witness — has reached the UK market in force. Magic Circle and US-international firms in London have publicly deployed AI tools quarter after quarter. The implication, in every pitch deck, is the same — that AI is now a feature of the legal stack, the way precedent banks and document automation became features. It is not. What is actually being sold is a mixture of consultancy, retrieval-augmented generation, drafting prompts, surface integrations, and confident marketing copy. The output is not a finished document. The output is a draft that still needs a solicitor’s eye, a solicitor’s judgement, and a solicitor’s signature on the file.

# 200+

identifiable LegalTech AI vendors are now actively marketing into UK and EMEA legal practices – across research, drafting, review, conveyancing, e-disclosure, and case management.

Source: LawtechUK / Legal Geek vendor analysis, 2024-2025

## LegalTech AI: The Market Picture

Metric	Figure	Source
Global LegalTech investment 2024	USD 4bn+	CB Insights / Crunchbase
UK Lawtech revenue projection 2026	GBP 22bn	LawtechUK / BCG
Large UK firms expecting AI transformation	95%	Thomson Reuters, 2024
Mid-tier firms with documented gen-AI use case	41%	Thomson Reuters, 2024
Small / high-street firms with structured AI adoption	18%	Law Society Lawtech Survey, 2024

## The Regulator and the Courts Have Already Drawn the Line

The SRA's Risk Outlook 2024/25 sets out unambiguous expectations on AI use: hallucination, confidentiality, accountability, training, and oversight are all identified risks. The Bar Council's 2024 guidance to barristers covers the same ground. The Judicial Office's 2023 (updated 2024) AI guidance for judges recognises the technology's potential to produce plausible but inaccurate material. The High Court and the First-tier Tribunal have already issued public commentary on hallucinated citations in submitted documents. None of these regulators or courts care which AI tool produced the error – responsibility sits with the lawyer.

*The marketing is polished. The claims are bold. The signature on the document is still yours.*

## SECTION 3

# The Legacy System Problem

The systems law firms run their practices on are legacy architectures. Tikit P4W, Eclipse Proclaim, SOS Connect, Iken, MatterSphere and the older case management cores all date from the late 1990s and early 2000s. Document management leaders such as iManage and OpenText have been refining versions of the same product for two decades. Conveyancing software – LEAP, Hoowla, Redbrick, Osprey, Eclipse Proclaim – sits alongside InfoTrack, HMLR portals, lender portals, AML portals and ID verification services. Time recording, e-billing, e-disclosure, document automation and CRM are typically bought from yet more vendors. None of these systems was built for probabilistic reasoning, dynamic context windows, agentic behaviour or real-time inference. They cannot host AI. They cannot embed AI. They cannot integrate AI in any meaningful sense. Trying to “put AI into” a case management system is like trying to put a junior associate into the database. The architecture simply cannot support the intelligence. The result is predictable: surface integrations, prompts pinned to a sidebar, copy-and-paste between tools, manual workarounds, brittle automations and inconsistent outputs.

# 7+

separate practice systems is the average mid-sized UK firm’s stack – case management, document management, time recording, billing, conveyancing portals, AML, e-disclosure. Data does not flow cleanly between most of them.

Source: Briefing Frontiers / The Lawyer technology surveys, 2024

## Why AI Cannot Be “Put Into” Law Firm Systems

### Law Firm Tech Stack (Legacy)

- Case management (LEAP, Clio, Tikit, Iken, Proclaim)
- Document management (iManage, NetDocuments, OpenText)
- Conveyancing (Howla, Redbrick, Osprey, InfoTrack)
- Time, billing & accounts (Aderant, Elite, 3E)
- E-disclosure (Relativity, Reveal, Everlaw)
- HMLR, lender, AML and ID portals

Deterministic. Closed. Siloed. Not built for external intelligence.

### AI Requirements

- Dynamic context windows
- Probabilistic reasoning
- Agentic behaviour
- Real-time inference
- Natural language I/O
- Human review at every output

Probabilistic. Open. Contextual. Requires professional supervision.

The gap between these two architectures is not a technical challenge — it is a structural impossibility.

# 41%

of UK lawyers say their case management system creates more friction than it removes.

Source: LexisNexis / Lawyer surveys, 2024

# 56%

of fee-earners say they spend at least eight hours per week on tasks they consider “low-value administration”.

Source: Thomson Reuters “Future of Professionals Report”, 2024

# 16–22 weeks

Average residential conveyancing transaction time in England and Wales — up from 12 weeks pre-2020. Around one in three transactions falls through, with delays cited as the leading cause.

Source: Today’s Conveyancer / TwentyCi / industry data, 2023-2024

*Trying to “put AI into” a case management system is like trying to put a junior associate into the database. The architecture simply cannot support the intelligence.*



Want to read the full white paper?

Register for free to access all 9 sections, including:

- The capability vs reliability trap
- The mis-selling pattern exposed
- The correct model for solicitors
- The new legal services model
- Why 8MDs exists

Register at [8mds.com](https://8mds.com)