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The UK legal market is at an inflection point.

Key insights from the State of the UK Legal Market 2026 report and what the numbers mean for law firms and in-house legal teams.

1 Growth is concentrating, not disappearing

Market net spend anticipation (NSA) in 2026 by practice area

Practice area	NSA
Regulatory	+28 pts
Labour & employment	+14 pts
Corporate law	+4 pts
Banking & finance	0 pts
IP / disputes	-5 pts
Insurance	-8 pts

Finance sector
Regulatory NSA hits **+38 pts** vs. **+28 overall**

2 The international opportunity is substantial

82% of UK buyers have cross-border legal needs spanning 30+ countries

42% of total external legal spend goes on international matters

44% plan to increase international spend in the next 12 months

UK buyers outpace the US (40%) and global average (38%) on planned international spend growth

3 What GCs are focused on

43% **Technology & automation**
↑ from 25%
now the #1 efficiency driver

32% **Protection**
↑ from 19%
risk & compliance surging

27% **Enablement**
↑ from 11%
fastest growing priority

Technology & automation now drives the efficiency agenda, up from 25% last year

69% of corporate legal teams expect GenAI to be central to their workflows within two years — vs. 62% of law firm respondents.

69% of in-house legal teams cite staffing and resource constraints as their primary barrier to delivering value.

4 The technology divide: Clients are ahead

	Corporate legal	Law firms
Organisation-wide GenAI adoption	53%	35%
Excited or hopeful about GenAI	67%	52%

Where firms are using AI:

80% Legal research

74% Document review

68% Document summarisation

Only 18% of UK law firms measure the ROI of their AI tools.

"The days of charging hundreds of pounds an hour for junior lawyers to do tasks that AI can do more quickly and effectively is coming to an end." — UK legal buyer

5 The new measure of value: Outcomes, not hours

39% Quality and effectiveness rated most important

28% Cost and financial measures

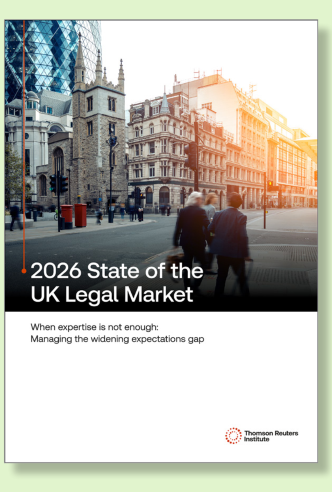
17% Efficiency and time savings

Rising drivers of firm favourability

37% cite business savviness

15% cite commerciality

Expertise is table stakes.
Commercial judgement is the differentiator.



Download the State of the UK Legal Market 2026 report →

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