AI Explained

AI and the Justice System

How AI is changing legal work and the way disputes are decided

Part 2 · After the Billable Hour

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THE 2-MINUTE SUMMARY

AI may shorten the first pass through a bundle, but someone still has to check the chronology and decide what matters. Measure the time to a result you can use.

More in-house legal teams report using generative AI. That gives them another option for first-pass work. Adoption figures tell us little about the amount of work they have actually stopped sending out.

An hourly fee, a fixed fee and a barrister's brief fee respond differently to time saved. Be clear about what the fee covers and who will check any draft supplied by the client.

If juniors do less first-pass work, firms and chambers need to decide where they will learn to assess the documents and make the decisions that are hardest to delegate.

How much of the work has gone?

Imagine a dispute about twelve supplier contracts, with three years of correspondence and a hearing approaching. Software draws up a first chronology before lunch. Before it goes to counsel, someone must check whether it missed an attachment, confused two versions of a contract or treated a disputed date as agreed. How much work has the firm really saved?

The answer will be different for a first-pass chronology and for the whole matter. PwC put expected AI efficiency gains at about 16% of chargeable hours, with a practical ceiling closer to 20% in that analysis. Those are estimates, not time recorded on completed matters. A large saving on one step can coexist with a modest saving across a practice. [1]

What might stay with the client?

FTI Consulting and Relativity reported that 87% of respondents said their legal teams used generative AI, up from 44% in the previous report. The 2026 report draws on a survey of 224 general counsel and chief legal officers at large organisations in 12 countries, conducted in summer 2025. The publishers also drew on 30 separate interviews. This gives a picture of what those legal teams report doing. How much work they have taken back from outside lawyers is a different question. FTI advises businesses and Relativity sells legal data technology. [2]

Consider the supplier dispute from the client's side. Its legal team might come to the first conference with a chronology already prepared and a proposed reading of the contracts. It can ask for advice on the dates or clauses on which the case turns. That could save time. If the draft arrives without sources,

or blurs fact and inference, the external lawyer may have to rebuild it. The value of sending a draft depends on what the recipient can check.

What should the client pay for?

Clio's April 2026 UK and Ireland report says fixed or flat fees accounted for 53% of matters in its reporting, compared with 32% billed hourly. That describes the mix it found. It does not establish that AI caused the difference. PwC proposes different pricing for standard work, work done with both software and senior review, and work that depends heavily on expert judgement. It is an option for a firm to consider, not a description of what most firms already do. [1, 3]

For a fixed fee, agree what the client will get and what happens when a supposedly standard matter turns difficult. For hourly work, ask what time the technology saved and what time checking added. A subscription used across the practice is ordinarily a cost of running it. Any separate charge to a client needs a clear basis in the terms agreed. What a client agrees to pay and what can be recovered from an opponent are separate questions.

Brief fees and the junior Bar

A brief fee commonly covers preparation and the first day of a hearing, with a refresher for later days, subject to the terms agreed. Less time building a chronology could affect the preparation element of the fee. A hearing still has to be conducted, and counsel still needs to know the documents well enough to respond when the judge or a witness takes the case in an unexpected direction.

The longer-term question is who learns to do that work. Preparing a chronology is one way to discover that a witness's account sits uneasily with the contemporary documents. If software does the initial assembly, give juniors the chance to make those comparisons themselves and explain the differences. See Who Will Become the Experts? for the wider training question.

There is room for different kinds of practice. The Solicitors Regulation Authority granted Garfield.Law its licence in March 2025 and announced the authorisation in May. The service helps users pursue unpaid debts through the small-claims process. Users approve each step, with SRA-regulated solicitors accountable for the service. The firm, its licence and its arrangements for supervision are part of what is being offered. [4]

Geek Box – What did the client understand?

In Clio's survey of lawyers and law-firm staff, 81% reported that their firms told clients about AI use at least occasionally. In a separate consumer survey, 7% recalled being told without asking and a further 10% said they were told after asking. The results come from different groups and do not match up individual matters. The Bar Standards Board expects transparency if AI materially affects the nature or scope of the barrister's service or changes who is legally responsible. It also expects candour if asked. Check the client's instructions and the terms of engagement. [3, 5]

How to use it better

Agree the job before discussing the saving. Where a client sends an AI-assisted draft, ask what was checked, what remains open and where to find the supporting documents. Where the firm supplies the draft, be clear about who will review it and whether the fee includes that review. Part 3 follows the same question into court, where the person receiving a document may have had no say in how it was produced.

Sources and notes

1. PwC UK (2026), Legal services, rewritten by AI: five moves for law firm leaders. The figures are estimates of potential, with the pricing discussion presented as a proposal. Analysis

2. FTI Consulting and Relativity (2026), The General Counsel Report. Publishers' release, pp. 1–2, including the survey and interview methods. Study release

3. Clio (7 April 2026), UK & Ireland Legal Insights Report 2026, pp. 9–10 (disclosure), p. 12 (fees) and p. 18 (survey methods). Report • Survey release • Fee figures

4. Solicitors Regulation Authority, Garfield.Law licence register and authorisation announcement (6 May 2025). Licence register • Announcement

5. Bar Standards Board (18 May 2026), Guidance on the Use of Artificial Intelligence and Other Technologies, §5, including rC19. Bar Council guidance update (26 November 2025). BSB guidance • Bar Council