

AI in Law Firms: an Evolving Landscape

An update to our May 2025 report



Treat Digital Limited
September 2025

AI in Law Firms: an Evolving Landscape

In May 2025, our report, "**AI Adoption in UK Law Firms: Benchmarking Its Adoption and Anticipating The Future**", established that AI had moved from a theoretical concept to a reality integrated into the vast majority of UK law firms. The data showed rapid adoption, driven by a complex mix of stakeholder pressures and the promise of significant efficiency gains.

The past summer has seen this evolution accelerate, moving the conversation beyond simple adoption to the more complex challenges of strategic implementation, client-side pressure, and the tangible impact on firm economics. This update provides senior management with the key findings from our latest research, offering a clear view of the strategic imperatives for the coming year.

[Download the full report from our website](#)

Four key findings:

1. The Client-Side is Accelerating and Expectations are Hardening

The most significant shift since May is the rapid acceleration of AI adoption and trust within in-house legal departments. The pressure on external counsel is no longer theoretical; it's a measurable market force.

- **Trust in AI among General Counsel has nearly doubled in a single year**, from 21% in 2024 to 40% in 2025.
- **Frequent use of legal tech by in-house teams has surged** from 34% to 44% in the same period.
- This is backed by investment, with **80% of GCs now allocating up to 20% of their legal budgets to technology**.

2. A Gap Between Hype and Reality is Emerging

While individual lawyers are using AI and seeing real benefits, there is a growing disconnect between the hype surrounding the technology and its firm-wide, systemic impact.

- **Productivity gains are tangible for users:** 65% of lawyers using AI save between 1-5 hours per week, and another 19% save six or more hours weekly.
- However, a recent Bloomberg Law survey found the **overwhelming sentiment among lawyers is that AI has so far resulted in "no change"** to core firm processes and business models. This suggests a market in a phase of widespread individual experimentation, not deep strategic integration.

“THE GREATEST VULNERABILITY FOR FIRMS IS THE GROWING DISCONNECT BETWEEN CLIENT EXPECTATIONS FOR EFFICIENCY AND A BUSINESS MODEL THAT REWARDS TIME SPENT”

3. Adoption is Nuanced and Segmented

Headline adoption figures mask significant variations across the market, particularly between firms of different sizes.

- A Thomson Reuters survey shows **generative AI usage among legal professionals has nearly doubled in a year**, from 14% in 2024 to 26% in 2025.
- However, a June 2025 SRA report highlights that **small firms have a more moderate AI adoption rate of just 14%**, citing cost and difficulty finding suitable products as key barriers.

4. The Billable Hour Shows Resistance

The logical assumption that AI-driven efficiency will lead to lower fees is being challenged. Firms are, for now, aiming to capture the value of AI for themselves rather than passing savings directly to clients.

- An April 2025 Thomson Reuters report found that **53% of law firms expect charge-out rates to remain the same** after adopting AI, with 20% expecting an increase and only 7% a decrease.
- This is happening despite clear client demand for change, with **80% of corporate legal executives expecting their bills to be reduced** due to AI.

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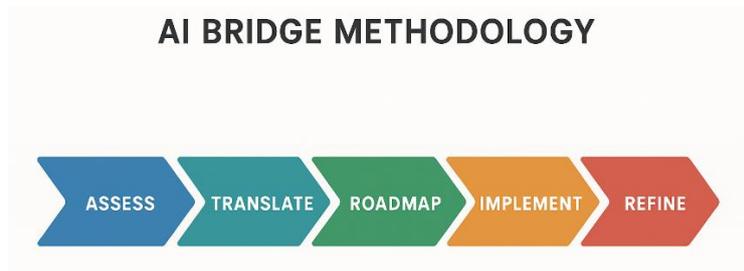
Download the full report, "*AI in Law Firms: An Update (September 2025)*", from [our website](#)

Next Steps: From Insight to Impact (and how we can help)

These findings confirm that navigating the AI landscape requires more than just data; it requires a strategic framework. The challenge has moved from *whether* to adopt AI to *how* to implement it for measurable, strategic value.

The AI Bridge Methodology

Our proprietary **AI Bridge Methodology** is a structured process designed specifically for the nuances of the legal sector. It bridges the critical gap between your firm's current capabilities and its future strategic needs, moving you from awareness to tangible business outcomes. We cut through the hype to help you build a coherent strategy that aligns with your firm's unique culture and long-term vision, helping you to "get it right first time". As vendor-independent advisors, we can also help you ask your vendors the right questions.



Our **AI Bridge Methodology** starts with an **Assessment** of your current capabilities and strategic goals (assisted by our proprietary tools), through **Translation** of complex AI concepts into business-relevant applications, to practical **Road-mapping** and hands-on **Implementation** guidance – followed by constant **Refinement**. We focus on actionable intelligence and SMART outcomes.

Confidential One-to-One AI Briefings for Senior Management

We understand that for partners and senior leaders, the need for clarity and strategic direction is paramount. We offer a dedicated one-to-one advisory service built on a foundation of absolute confidentiality and discretion. These sessions are:

- **Bespoke & Personalised:** Tailored entirely to your specific AI knowledge level, practice area, and strategic concerns.
- **Time-Efficient:** Structured to deliver maximum value and actionable takeaways in the shortest possible time, fitting around your demanding schedule.
- **A Safe Space:** An environment where you can ask any question about AI - from the basic to the complex - without fear of judgment, ensuring you are equipped to lead with confidence.

The legal landscape is transforming at an unprecedented pace. Let us help you build a bridge to the future.

[Contact us](#) to learn more.