SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No: 12775-2025

BETWEEN:

THE SOLICITORS REGULATION AUTHORITY LTD Applicant

and

CLAIRE FRANCES GILL Respondent

Before:

Ms A Kellett (Chair)
Ms H Hasan
Ms E Keen

Date of Hearing: 11-12 December 2025

Appearances

David Price KC, Solicitor Advocate, leading Nicholas Hill of counsel, Outer Chambers, instructed by James Danks, solicitor of Blake Morgan LLP, for the Applicant.

Justin Rushbrooke KC, of 5 Raymond Buildings, Richard Coleman KC, leading Samuel Burns both of Foutain Court Chambers, for the Respondent.

TRIBUNAL'S MEMORANDUM RE: THE RESPONDENT'S APPLICATION FOR DISMISSAL

Background

1. The case concerned an allegation against the Respondent, then a Partner at Carter-Ruck specialising in defamation, privacy, data protection, and harassment. The SRA alleged that, on or around 26th April 2017, Ms Gill sent or arranged to be sent a letter to Jennifer McAdam which contained an improper threat of litigation. It contended that this conduct breached Principles 2 and 6 of the SRA Principles 2011, and Outcome 11.1 of the 2011 Code, relating respectively to integrity, maintaining public trust, and not taking unfair advantage of third parties.

2. The matter arose from the Firm's representation of Dr Ruja Ignatova and One Network Services Ltd ("OneCoin"), a fraudulent cryptocurrency scheme thought to have defrauded investors of around $4 billion.

3. The SRA asserted that the Respondent continued to act despite having only limited information about the client's business model, notwithstanding escalating regulatory warnings, a police investigation, and the significant disclosure risks identified by Counsel. Internal communications, it was said, showed that the Firm, the Respondent, the client, and a PR consultant discussed deploying legal threats for public relations purposes, even though OneCoin was unwilling to provide the evidence necessary to sustain defamation proceedings. The letter to Ms McAdam, an investor-turned-whistleblower who had lost her inheritance, allegedly threatened defamation proceedings and demanded removal of material, alongside the preservation of documents.

4. The SRA concluded that the threat of litigation was issued for the dominant purpose of creating a misleading public message that OneCoin was ready to vindicate its reputation in court when the opposite was true. It considered that the Respondent knew of the lack of underlying evidence and the client's refusal to provide it, and that issuing such a threat to a vulnerable layperson amounted to taking unfair advantage. Following an investigation beginning in 2019, the SRA referred the Respondent to the Tribunal on 21 March 2025. The Firm maintained that there had been nothing improper in the correspondence sent to Ms McAdam.

The Respondent's Application for Dismissal

5. The Respondent applied for summary dismissal of the single allegation brought by the SRA, arguing that the allegation was fundamentally misconceived as a matter of law, lacked merit, and was bound to fail, making summary dismissal appropriate. Counsel, Mr Rushbrooke KC, contended that the Tribunal possessed a 'salutary jurisdiction' to dismiss proceedings that were legally unsustainable, thereby preventing unnecessary expense, delay, and reputational harm.

6. The Respondent's case centred on the SRA's reliance on the concept of an "implied false PR message." The regulator contended that, had litigation been commenced, it would have conveyed that the client was "ready and willing to demonstrate to a court that the allegations against it were untrue." Mr Rushbrooke submitted that this proposition was legally unprincipled and artificial, constructed to impose a retrospective duty of diligence on solicitors towards their client's opponents. Solicitors owe no obligation to investigate the truth of client instructions beyond ensuring that

they do not knowingly advance a claim that is dishonest or constitutes an abuse of process. The SRA did not allege that the Respondent possessed such positive knowledge; it argued only that she was aware of a "strong possibility" that the client's instructions might be untrue, which counsel submitted was insufficient to establish misconduct.

7. Counsel addressed the SRA's assertion of an improper purpose, noting that the alleged message was hypothetical and that no proceedings were ever issued. Under defamation law, falsity is presumed, and the burden of proving truth rests with the defendant if that defence is pleaded. A claimant is therefore not required to demonstrate readiness to prove the falsity of allegations, and any purported message would have originated from the client, not the Respondent, who had acted entirely in accordance with instructions received. The legitimate public relations purpose of defamation proceedings was recognised, particularly for corporate clients seeking to mitigate reputational damage. The Respondent consistently advised on the risks and merits of litigation, considered alternative strategies, and instructed senior counsel to provide independent advice prior to any contemplated proceedings. These steps demonstrated that she acted responsibly and within the scope of her professional duties.

8. The factual record supported the Respondent's submissions. The letter of 26th April 2017 was moderate in tone, conventional in form, and accurately reflected the client's position. It did not demand a public retraction, apology, or compensation.. Internal communications showed that the Respondent navigated a complex and high-pressure situation with professional care, balancing the client's reputational concerns with prudent legal advice. The instruction of senior counsel and the ultimate decision not to issue proceedings confirmed that the Respondent did not knowingly facilitate any improper objective.

9. The legal principles relevant to the application were addressed in detail. A solicitor is required to advance a client's case unless they know that it is dishonest or constitutes an abuse of process. Authorities cited included *Ridehalgh v Horsefield* [1994] Ch 205, which confirmed that a solicitor does not act improperly simply by acting for a client with a potentially hopeless case; *Medcalf v Mardell* [2002] UKHL 27, establishing that advocates owe no duty to their client's opponent; *Al-Haddad Rostami and Ors* [2024] EWHC 448 (Ch), confirming that solicitors are not obliged to investigate the truth of instructions; *Jameel v Wall Street Journal* Europe [2006] UKHL 44, recognising the legitimate reputational purpose of prompt proceedings; and *Wallis v Valentine* [2003] EWCA Civ 1034 , that collateral abuse of process arises only in the clearest and most obvious cases. Counsel submitted that the SRA's case could not meet the threshold for professional misconduct or abuse of process.

10. Turning to the "false message" theory, counsel submitted that the propositions underpinning it were unsustainable. First, any suggestion that proceedings would have conveyed a particular message was flawed, as no proceedings were issued and the letter did not itself contain such a message. Second, the claim that the message would have been false ignored contemporaneous evidence; at the time the letter was sent, the Respondent was still investigating facts and awaiting a technical report regarding blockchain allegations, making it impossible for her to know that the claim could not proceed. Third, any assertion that she was aware of falsity was unsustainable, as the question of truth or falsity lay entirely in the future. The Respondent remained entitled

and bound to act on her client's instructions, even where she harboured suspicions regarding potential wrongdoing, provided she did not knowingly advance a dishonest claim.

11. Mr Coleman KC addressed the inordinate delay in pursuing the matter. Investigations had commenced in May 2020, and by July 2023 the investigating officer had recommended closure. The SRA's decision to overrule this recommendation and continue pursuing the allegation, despite its legal flaws and the acceptance by the authorised decision-maker, based on the opinion of Timothy Dutton CBE KC, that the majority of allegations were misconceived as a matter of law, compounded the injustice. Counsel submitted that this delay constituted unlawful interference with the Respondent's rights under Article 8 of the European Convention on Human Rights and supported summary dismissal.

12. In conclusion, the Respondent's submissions demonstrated that the SRA's allegation was legally unsustainable, raised no triable issue of fact, and failed to establish conduct that could reasonably be regarded as serious, culpable, or reprehensible. The "false PR message" theory was untenable, and the prolonged delay reinforced the disproportionate impact of continuing the proceedings. The Respondent acted entirely within the scope of her professional duties, and no reasonable Tribunal could conclude that she knowingly facilitated an abuse of process. In these circumstances, it was submitted that the Tribunal should exercise its jurisdiction to dismiss the proceedings summarily, thereby achieving the overriding objective of dealing with cases justly and proportionately while protecting the Respondent from unnecessary anxiety, expense, and reputational harm.

The Regulator's Submissions in Response

13. Mr Price KC addressed the Respondent's application for summary dismissal, setting out that, although the Tribunal had a general power under SDPR 6(1), such powers should be exercised sparingly in regulatory matters. It was submitted that regulatory cases rarely lend themselves to summary disposal because allegations are certified prior to commencement and often turn on complex issues of knowledge, intention, and professional judgment. Where primary facts or a practitioner's state of mind are in dispute, a substantive hearing is ordinarily required. In this context, counsel submitted that the Respondent faced a high threshold in seeking summary dismissal, particularly as the SRA's case rested on facts capable of proof and inferences a reasonable Tribunal could draw.

14. Counsel characterised the application as unusual and misconceived, noting that it represented the Respondent's second substantial procedural application. Both applications, he submitted, were distractions from the central issue before the Tribunal, namely whether the April 2017 letter to Ms McAdam contained an improper threat of litigation. The proper course was for the matter to proceed to a substantive hearing to test the factual basis of the allegation.

15. Mr Price set out the factual elements underlying the SRA's case, which he submitted were each capable of proof at a substantive hearing: firstly, that the purpose of the threatened litigation against Ms McAdam was to "reassure members and to send a strong PR message" (the "Message") at the time the litigation was contemplated;

secondly, that the Respondent was aware of this purpose; thirdly, that but for this purpose, the McAdam letter would not have been sent; fourthly, that the Message conveyed that OneCoin was "ready and willing to demonstrate to a court that the allegations made by Ms McAdam were untrue," or, in the Respondent's own words, that OneCoin had "nothing to hide" and was "ready to fight"; fifthly, that the Respondent was aware that this was the Message and that it was false at the time the letter was sent; and sixthly, that the McAdam letter was the necessary precursor to commencing the litigation, which was contemplated to follow imminently without or irrespective of any change in the falsity of the Message.

16. Counsel submitted that the SRA's case was grounded in conventional and well-established regulatory principles, emphasising that a solicitor must not lend assistance to proceedings which constitute an abuse of the court's process. He argued that, in this case, the threatened litigation was issued for the dominant purpose of sending a strong PR message rather than pursuing genuine litigation, and that the Respondent was aware of that purpose. It was submitted that the purpose was dominant in a "but for" sense, meaning that the letter would not have been sent absent this PR objective. The Message, as described, was false at the time it was conveyed, and the contemplated litigation would have proceeded without or irrespective of any change in its falsity.

17. Counsel acknowledged that solicitors are expected to follow client instructions but stressed that this duty does not extend to assisting with proceedings that are known to be *mala fide* or for an improper purpose. He noted the principle articulated in *Orchard v South Eastern Electricity Board* [1987] QB 565, that a solicitor should not impose a pre-trial filter but must refrain from assisting in proceedings known to be an abuse of process. Similarly, in *Ridehalgh v Horsefield*, it was recognised that legal representatives may advise clients of weaknesses in their case, but the decision to litigate rests with the client, provided the solicitor does not knowingly assist in an abuse of process.

18. Counsel further drew attention to the SRA guidance "Walking the line: The balancing of duties in litigation" (March 2015), and the principle in *Hunter v Chief Constable of the West Midlands Police* [1982] AC 529, emphasising that litigation which is procedurally correct may nonetheless be abusive if it is manifestly unfair or risks bringing the administration of justice into disrepute. Such principles, he submitted, reinforced the SRA's contention that the letter was sent with a dominant improper purpose.

19. Counsel distinguished between legitimate litigation intended to protect reputation and litigation used to create a misleading public message. He argued that, in this case, the contemporaneous record, including emails and internal communications, demonstrated that the Respondent was aware that the dominant purpose of the threatened litigation was to convey the Message to the public, regardless of whether the factual basis existed to pursue proceedings. This, he submitted, sufficed to render the threatened litigation improper.

20. Finally, counsel addressed the PR dimension. While recognising that solicitors often act to protect clients' reputations, he submitted that in this instance the Respondent knowingly endorsed sending a letter designed to convey a misleading impression of OneCoin's readiness and willingness to litigate. He argued that a reasonable Tribunal

could infer from the facts alleged that the Respondent lost sight of professional obligations and her "moral compass" and facilitated a strategy intended to achieve a public relations benefit rather than a bona fide legal objective.

21. In summary, Mr Price submitted that the SRA's case was sufficiently clear, legally sound, and factually capable of proof that it should proceed to a substantive hearing. He maintained that summary dismissal was inappropriate, given that the Respondent's knowledge, intentions, and awareness of the dominant purpose were central issues of fact that could only properly be tested at trial.

The Tribunal's Decision

22. The Tribunal considered the Respondent's application for summary dismissal of the sole allegation brought by the Solicitors Regulation Authority, namely that she had sent a letter to Ms Jennifer McAdam on 26 April 2017 containing an improper threat of litigation. The Tribunal had regard to the skeleton arguments advanced by both parties, the contemporaneous documentary evidence, and the applicable legal principles. The central question was whether the material relied upon by the SRA, as pleaded in the Rule 12 statement, was capable of establishing a case which ought properly to proceed to a substantive hearing.

23. At the heart of the SRA's case was the assertion that, in sending the letter, the Respondent knew that the threatened defamation proceedings would not in fact be pursued and that the letter was sent for an improper purpose. The SRA contended that the sole and dominant purpose of the letter was to reassure members of OneCoin and to convey a public relations message that the company was ready and willing to demonstrate before a court that allegations of fraud were untrue. The allegation therefore depended upon establishing that the Respondent possessed the requisite knowledge at the time the letter was sent.

24. The Tribunal approached that question by reference to what was known in April 2017, rather than with the benefit of hindsight. Although it was now known that OneCoin was a fraudulent enterprise, that fact was not apparent at the relevant time. What was known was that adverse publicity was increasing and that criminal investigations had commenced. Such circumstances did not prevent a company or individual from seeking to protect its reputation, including by threatening or commencing defamation proceedings. The Respondent's conduct therefore fell to be assessed in that contemporaneous context.

25. The documentary record demonstrated that the Respondent's advice was measured, professional and conscientious. She asked appropriate questions of her client and identified matters that would require further information before litigation could be taken forward. At the time the letter before action was sent, that information had not yet been provided, and the Respondent was continuing to investigate the position. The documents showed that she acted on explicit client instructions and had no reason at that stage to disbelieve them. Suspicion was not equivalent to knowledge, and a solicitor was not required to reject instructions absent evidence that they were false. The absence of such evidence was significant and undermined the foundation of the SRA's case.

26. The Tribunal rejected the suggestion that the Respondent's communications disclosed any improper motive or a departure from professional judgment. The Respondent's position evolved as circumstances changed. Allegations of criminal conduct were being advanced and repeated publicly, and the client sought to respond to those allegations. That development did not support an inference that the Respondent abandoned her professional obligations; rather, it reflected the realities of advising in a rapidly developing and highly sensitive situation.

27. It was only after the letter had been sent that counsel's advice was received. That advice did not conclusively foreclose the possibility of proceedings but depended upon whether further information would be forthcoming from the client. Once that advice was received, the Respondent recommended that litigation should not be pursued. That recommendation was consistent with responsible professional conduct and contradicted any suggestion that she knew, at the time the letter was sent, that proceedings would never be issued.

28. The Tribunal considered the McAdam letter itself. It was moderate in tone and entirely consistent with standard letters before action used in potential defamation proceedings. It acknowledged the existence of a criminal investigation and expressly stated that it was not intended to stifle legitimate debate. There was nothing in its content or language that could properly be characterised as misleading, abusive, or improper.

29. The SRA's case depended in significant part on what was described as a "false PR message" theory: that the threatened proceedings would have conveyed a message that OneCoin was ready and willing to demonstrate to a court that the allegations were untrue, and that the Respondent knew that message would be false. The Tribunal found this theory to be speculative and legally unsustainable. No proceedings were issued. The letter accurately reflected the client's instructions at the time. Moreover, the Respondent was continuing to investigate the factual position and to await further technical material. In those circumstances, it was impossible to conclude that she knew the client's claim could not be advanced, and any inference of knowledge of falsity was unsupported by the evidence.

30. The Tribunal was assisted by established legal authority. It was settled that a solicitor did not act improperly merely by representing a client whose case was weak or controversial, provided the solicitor did not knowingly assist in an abuse of process (*Ridehalgh v Horsefield*). An advocate owed no duty to the opponent and should not be penalised for advancing a case in accordance with instructions (*Medcalf v Mardell*). A solicitor was not required to investigate or verify the truth of factual instructions before advancing them, even where doubts existed (*Al-Haddad*). Allegations of impropriety against advocates/representatives should only proceed in clear and obvious cases where misconduct is properly pleaded and evidenced. (*Wallis v Valentine*). Further, the use of legal proceedings to protect reputation, even where reputational or public relations considerations were engaged, fell within the proper scope of defamation litigation, absent knowledge that the claim is not genuine and not otherwise abusive or collateral (*Jameel v Wall Street Journal Europe*).

31. In considering these principles, the Tribunal also addressed the wider professional context. Solicitors were not "hired guns", advancing any case regardless of propriety. Equally, they were not required to withdraw from representation whenever doubts arose

as to a client's credibility or prospects. The dividing line was knowledge. A solicitor must not knowingly advance false instructions or assist in an abuse of process, but absent such knowledge, the solicitor was entitled and often obliged to continue to act.

32. The Tribunal considered it helpful, by way of analogy, to reflect on the position of criminal defence solicitors. Such solicitors routinely acted for individuals accused of serious criminal conduct, often in circumstances where the solicitor could not know whether the client was telling the truth. Provided the solicitor did not knowingly advance a dishonest case or mislead the court, representation was both proper and necessary. That principle was fundamental to access to justice and the administration of the legal system. The Tribunal considered that, essentially, the same principle applied here. To require solicitors to determine, at their peril, whether a client's position might later prove to be untrue would place them in an untenable position and would risk undermining the right to legal representation.

33. The Tribunal also took account of the clarity of the documentary record. The central issues concerned the Respondent's knowledge and intentions, which were capable of determination on the written material. While the Tribunal acknowledged and respected the efforts of those who ultimately exposed the fraud, those matters could not alter the assessment of the Respondent's conduct at the time and the Tribunal was satisfied that hearing oral evidence would not assist and would not realistically have altered the outcome. There were no triable issues of fact requiring exploration at a substantive hearing.

34. Finally, the Tribunal considered the procedural history of the case. The investigation commenced in May 2020. In July 2023, the investigating officer recommended closure without further action. That recommendation was overridden, leaving a single, narrowed allegation. The delay and continued pursuit of the allegation imposed unnecessary burden and stress on the Respondent and weighed heavily in the assessment of proportionality.

35. Taking all these matters together, the Tribunal was satisfied that the allegation was founded on hindsight rather than evidence of professional misconduct. Even taken at its highest, the SRA's case did not disclose conduct capable of meeting the threshold required to proceed. There was no material capable of supporting the allegation pleaded in the Rule 12 statement.

36. Accordingly, it would not have been in the interests of justice or proportionality for the matter to proceed further. The evidential foundation was plainly insufficient. Although summary dismissal was an exceptional step, these were circumstances in which it was wholly appropriate. The application for summary dismissal was therefore granted, and the proceedings were dismissed.

Directions on Costs

37. As to the issue of costs the Tribunal directed:

37.1 The parties' written submissions to be filed by **4 p.m. on 24th December**, limited to 15 pages each.

37.2 That the costs hearing be listed remotely, for half-day hearing at **10:00am on Tuesday 13th January 2026.**

Dated this 22nd day of December 2025
On behalf of the Tribunal

A. Kellett

A. Kellett
Chair