

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12575-2024

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD.

Applicant

and

ANIS YUSUF DADU

Respondent

Before:

Mrs L Boyce (in the chair)

Mr A Horrocks

Dr A Richards

Date of Hearing: 16 -17 September 2024

Appearances

Mr Matthew Edwards, barrister of Capsticks Solicitors LLP of 1 St George's Road, Wimbledon, London SW19 4DR, for the Applicant.

Ms Susanna Heley, solicitor of Weightmans LLP of 105 Fenchurch Street London EC3M 5JG, for the Respondent.

JUDGMENT

Allegations

Allegation 1

1. Between 14 December 2020 and 23 June 2021, whilst in practice as a solicitor at XYZ Law Limited (“the Firm”), he failed to notify the Firm’s professional indemnity insurance provider of a material alteration to the Firm, namely that the Firm had acquired parts of Notary Express Limited, including its files, which it was required to do under the Firm’s policy of insurance.

In doing so he breached Principle 2 of the SRA Principles 2019.

Allegation 2

2. On 23 July 2021, he provided information to the Firm’s insurers in a professional indemnity insurance proposal form (“PIIPF”) which was inaccurate and/or misleading which indicated:
 - 2.1. No Principal or fee-earner in the Practice had ever practised in a firm subject to an investigation or intervention by the Law Society or Solicitors Regulation Authority;
 - 2.2. There had been no significant change to the Firm’s practice in the last year and that no significant change was expected in the coming year; and
 - 2.3. There was no other material information that may be relevant to the application. This information was false and the Respondent knew it was false.

In so doing so he breached any or all of Principles 2, 4 and 5 of the SRA Principles 2019 and paragraph 1.4 of the Code of Conduct for Solicitors, RELs and RFLs 2019.

3. The Respondent admitted having breached Principle 2 of the SRA Principles 2019 in relation to Allegation 1 but denied Allegation 2 in its entirety.

Executive Summary

4. The Tribunal found, on the balance of probabilities, that the Respondent had breached Principle 2 of the SRA Principles 2019 in relation to Allegation 1 and that the Respondent’s admission had been properly made. However, the Tribunal dismissed Allegation 2 in its entirety.

Sanction

5. The Respondent, Anis Yusuf Dadu was reprimanded and ordered to pay the costs of and incidental to this application and enquiry fixed in the sum of £14,000.00

Documents

6. The Tribunal considered all of the documents in the case which included but were not limited to:

- Amended Rule 12 Statement, dated 16 September 2024 and Exhibit MLR1
- Respondent's Answer, dated 11 April 2024
- Witness Statement of Mr Mohammed Hanif, dated 16 August 2024 and Exhibits MH1, MH2, MH3
- Witness Statement of Mr Dadu, dated 16 August 2024
- Applicant's Statement of Costs, dated 7 March 2024 and 10 September 2024
- Various character references for Mr Dadu

Preliminary Matters

The Applicant's application to amend the Rule 12 Statement

7. On 11 September 2024, the Applicant requested the Tribunal's leave to amend Allegation 1 and the Rule 12 Statement because it wished to withdraw the allegation of a breach of Principle 5, which was originally included in Allegation 1. The Applicant had relied on the witness evidence of Mr Hanif in relation to the allegation of a breach of Principle 5 included in Allegation 1. Mr Hanif had initially refused to provide a witness statement. Following a witness summons, Mr Hanif had provided his witness statement, but his statement directly contradicted the position adopted by the Applicant in the Rule 12 Statement in relation to breach of Principle 5 in Allegation 1. The Applicant as a result now wished to withdraw the allegation of a breach of Principle 5 in Allegation 1.
8. The Respondent did not object to the Applicant's application. Ms Heley on his behalf further asked that the words "*and website*" should also be deleted from Allegation 1. She said there was no evidence that Mr Dadu had purchased the website in question and another entity had in fact purchased the website. The Applicant agreed to the removal of the words "*and website*" from Allegation 1.
9. Having heard both parties on the Applicant's application at the start of the Substantive Hearing and given that the Parties agreed to the amendments, the Tribunal granted leave to the Applicant to amend Allegation 1 and the Rule 12 Statement.

Factual Background

10. The Respondent is a solicitor who was admitted to the Roll of Solicitors on 15 March 2006. He holds a current practising certificate free from conditions.
11. In May 2020, the Respondent started his own SRA regulated firm, Smart Law Limited, which subsequently changed its name to XYZ Law Limited (SRA ID 668737). The Respondent was the director of the Firm and held all senior roles within it including Compliance Officer for Legal Practice ("COLP") and Compliance Officer for Financial and Administration ("COFA").

12. The Firm was a recognised body. 9. Rule 2 of the SRA Indemnity Insurance Rules creates an obligation on an authorised body (which includes a recognised body), carrying on a practice during any indemnity period beginning on or after 25 November 2019, to take out and maintain qualifying insurance with a participating insurer.
13. The Firm was insured through Accredited Insurance (Europe) Ltd from 3 July 2020 to 2 January 2022.
14. In order to obtain this insurance, the Respondent completed a Solicitors Professional Indemnity Insurance Form (“PIIPF”) on 23 June 2020 through Inperio (London) Limited (“Inperio”). An initial Travellers PIIPF was completed by the Respondent and sent to Inperio on 20 February 2020. However, in view of the changes to (a) the insured name from Smart Law Ltd to XYZ Law Ltd; and (b) the change in work split to that originally declared, Inperio requested that a new form, the 23 June 2020 form, should be completed.
15. The certificate of insurance, together with the terms and conditions of the insurance, was sent to the Respondent on 8 July 2020.

Certificate of Insurance

16. The certificate of insurance is dated 8 July 2020. The policy made provision to adjust the total premium paid:

“7.1 Adjustment of Total Premium

If during the Period of Insurance the Insurer in its absolute discretion decides that there is a material change to the identity of the Insured or the nature or scope of the legal Practice carried on by the Insured Firm as at the commencement of the Period of Insurance which, if notified to the Insurer prior to the making of this Policy, would have caused the Insurer to require a higher premium than that set out in the Schedule, the Insurer shall have the right to adjust the Total Premium and/or Excess in respect of the period subsequent to the material change to that which in its absolute discretion it decides that it would have charged in respect of that period had it been aware of the change prior to the making of the contract.”

17. The policy included an obligation on the insured to notify Inperio of “material alterations” to the risk during the period of insurance:

“7.8 Material alteration

The Insured will give to the Insurer written notice as soon as possible of any material alteration to the risk during the Period of Insurance including but not limited to:

- (i) *Any Insured going into voluntary bankruptcy, receivership or liquidation or the Insured failing to pay debts or breaching any other obligation giving rise to the employment of a receiver or bankruptcy or winding up proceedings; and/or*

- (ii) *Any material change in the nature of the professional services offered by the Insured including but not limited to;*
Change of Ownership
Change in Partners, Members or Directors
Introduction of work not previously disclosed to the Insurer”

Notary Express Limited

18. On 14 December 2020, the Respondent signed a Notice of Succession for the Firm to become the successor business to Notary Express Limited in relation to conveyancing and landlord and tenant matters. The Notice of Succession confirmed that the Firm succeeded Notary Express Limited and carried on its business and practice in respect of all conveyancing and landlord and tenant matters with effect from 14 December 2020.
19. On the same day Merlin Batchelor of Notary Express Limited emailed the Respondent about the Firm acquiring Notary Express Limited’s CQS accreditation. The Law Society’s CQS is the Conveyancing Quality Scheme. It is a recognised standard for SRA authorised/regulated firms that practice residential conveyancing law in England and Wales.
20. Mr Batchelor said he needed to update the Respondent as to the position with regard to informing the Law Society regarding CQS accreditation.
21. On 17 December 2020, the Respondent signed a Notice of Succession for the Firm to become the successor business to Notary Express Limited in relation to all matters excluding wills. The Notice of Succession confirmed that the Firm succeeded Notary Express Limited and carried on its business and practice in respect of all matters (excluding wills) with effect from 17 December 2020.
22. On 18 December 2020, Mr Batchelor emailed the Respondent attaching a draft letter that was to be sent to clients upon the file being transferred from Notary Express Limited to the Firm and inviting comments.
23. The draft letter included the following passage:
- “We have arranged with another firm regulated by the Solicitors Regulation Authority, XYZ Law, to take over our active cases as our successor practice so they can continue your case without interruption. Your files will be transferred to them over the Christmas holiday period unless you email compliance@notaryexpress.co.uk to instruct otherwise. This should result in a smooth handover and continuation of your case.”*
24. The Respondent replied to Mr Batchelor’s email the same day informing him that *“the letter looks fine.”*
25. On 28 January 2021, Mr Batchelor emailed the Respondent stating:
- “Dear Anis, I’m asking all clients with cases gone over to you to authorise the transfers of any balances held. Before we send the funds over could you just confirm you will honour any undertakings given (e.g. a file may have an*

undertaking to hold a retention and so you'd need to continue holding the retention). I'd be grateful if you could please email back along the following lines: I undertake to honour all undertakings given by Notary Express in cases transferred to XYZ Law."

26. On 31 January 2021, the Respondent replied to this email stating:

"Dear Merlin. As discussed, please treat this email as our undertaking to honour all undertakings given by Notary Express in cases transferred to XYZ Law. Best regards. Anis"

27. The Respondent did not inform his insurers of this undertaking.

28. On 7 February 2021, the Respondent emailed LMS stating:

"Thank you for your email and continued assistance with this matter. As we are a successor firm to Notary Express (please see attached letter from the managing director of Notary Express) and we have taken over Notary Express including its cases, clients and staff from 17 December, just in the last 2 months we have completed 100 cases and now have over 500 registrations with the land registry. Could we ask that you urgently update the amount of cases we have done and our application and perhaps make another application to the lenders to see if they will reconsider us joining their panels please? I have copied in Notary Express' MD just in case you have any queries that you would like to ask him. Thank you in anticipation of your response."

29. On 6 April 2021, however, the Respondent told the SRA that XYZ Law was not the successor practice.

Factual Background relating to Allegation 1.1

30. On 8 December 2020, Mohammed Hanif of Legal Ex Plus, on behalf of the Firm, made enquiries with Inperio about firm acquisition:

*"Hi Tony, I hope you are well and safe?
XYZ Law Solicitors were making some enquires this morning regarding firm acquisition. I attach the following for the other firm:*

- Last completed proposal form*
- Claims summaries*
- Letter they have sent to HDI which covers what they do and the history including the cyber claim and measures they put in place to prevent re-occurrence*
- Email from the SRA confirming they are satisfied with the measures they have put in place*

*I look forward to receiving your comments in due course. Kind Regards.
Mohammed Hanif"*

31. The attachments referred to in the email made reference to a firm named Notary Express Limited.

32. The following day Inperio responded stating:

“Dear Hanif, I will not insure Notary Express, or incorporate its succession into a held Inperio risk in any shape or form. I do not want to add this firm into XYZ Law Solicitors. Regards, Tony”

33. Mr Hanif spoke to the Respondent on 9 December 2020 and confirmed Inperio’s position on insuring Notary Express and not adding the firm to the Respondent’s firm. The Respondent asked Mr Hanif to approach other markets, which Mr Hanif did on 15 December 2020. Mr Hanif did, however, inform the Respondent that *“generally taking on new files [from Notary Express] on a referral basis should be ok.”*

34. On 19 December 2020, the Respondent emailed Mr Hanif confirming he had just bought Notary Express’s cases and wanted an update on the position with the insurer.

35. On 20 December 2020, at 13.49, the Respondent emailed Mr Hanif of Legal Ex Plus in the following terms:

“Hanif, Notary Express looks like will be liquidated. Merlin Batchelor (the sole director and owner of Notary Express) is happy to transfer the CQS to XYZ Law. Could you possibly enquire for me please? Kind regards Anis”

36. The email was forwarded by Mr Hanif to Inperio on 21 December 2020, at 10.17:

“Hi Tony, I hope you are well. Please see the email from our insured. Would you require anything further from the client? I look forward to hearing from you soon. Many thanks, Hanif”

37. Inperio responded the same day reaffirming their position as outlined on 9 December 2020:

“Hanif, As per my email of 9th December 2020 Inperio do not wish to add any element of Notary Express into XYZ Law. Regards, Tony.”

38. The email from Inperio to Mr Hanif was forwarded to the Respondent the same day at 10:25 with the following message [MLR1, p177]:

“Salaams Anis Bhai, So sorry about this but the insurers are not keen on this, please see the email below. I’m waiting for Pen to revert and will provide you an update asap. Kind Regards Mohammed Hani”

39. On 23 June 2021, Mr Hanif notified Inperio of a change to the principal address of the Firm.

40. On 23 June 2021, Inperio emailed Mr Hanif to inform him that, following a review of the Law Society and SRA websites for the Firm, along with Companies House, there was a number of material changes that nobody had brought to its attention. The email set out the additional information that needed to be provided. It stated:

“As the firm has undergone significant change from the basis of the proposal form signed and dated last year, and no formal notification of any material

change has been made, I need a new proposal form completed to cover off the work undertaken from June 2020 to date, and a copy of management accounts (profit & loss and balance sheet) for the period to date. Once I am in receipt of the above, I can take a view on next steps and change an additional premium as per S.7 of the wording as the risk has materially changed, as these changes have not been brought to my attention during the policy period.”

41. Mr Hanif responded to Inperio’s queries on 16 July 2021, at 15.39. The email attached several documents including an updated PIIPF dated 15 July 2021.

42. The email of 16 July 2021, at 15.39, is a forward email of the original email from the Respondent to Mr Hanif the same date, sent at 15.33.

43. On 19 July 2021, Inperio emailed Mr Hanif stating:

“The management accounts were not attached, nor was the proposal form completed correctly. At this time Insurers positions are reserved in relation to the Insured’s obligations under the Insurance Act 2015, and obligations under the policy wording. I look forward to receiving all of the documents fully completed.”

44. On 24 July 2021, Mr Hanif emailed Inperio attaching a further updated PIIPF dated 23 July 2021, completed by the Respondent, together with the additional documentation requested by Inperio.

45. The email of 24 July 2021, at 11.20, is a forward email of the original email from the Respondent to Mr Hanif the same date, sent at 11.07.

46. On 10 August 2021, Inperio emailed Mr Hanif with a series of steps to resolve the influx of material changes to the insured. Step three as outlined in the email stated:

“Provide narrative why ex Notary Express staff were engaged when I specifically stated in my email of 9th Dec 2021 I was not interested in incorporating this firm into XYZ Law Ltd. Why didn’t the Insured declare that they intended to hire an ex director and three staff all from this firm? I did not want to add these staff into the risk that I am insuring but Inperio have not been given any opportunity to review this change.”

47. The email concluded stating:

“Again, please impress on the Insured that any change to the firm is a material fact, whether that is staff incoming or outgoing, new work being undertaken or practices being acquired.”

48. When Inperio chased a response to their request on 17 August 2021 and queried what was causing the delay in obtaining the information requested, Mr Hanif stated that he had emailed and left a voicemail with the Respondent and that he would revert back as soon as possible.

49. Inperio asked Mr Hanif to continue to press the Insured for responses to their questions on 20 August 2021, whilst also stating:

“I have a reasonable suspicion to believe something is not quite right here, and this is compounded in the delay in responding to what on the face of it are very simple questions.”

50. Mr Hanif provided responses to Inperio’s queries on 21 August 2021, at 12.17. The response to step three stated:

“Presumably the director you are referring to is Laura Walsh. You will see that Laura, and Salima from Notary Express are actually at Saracens Solicitors, please see <https://saracenssolicitors.co.uk/our-team/> they came on board as consultants with XYZ to finish off the cases for us.”

51. The email of 21 August 2021, at 12.17, is a forward email of the original email from the Respondent to Mr Hanif dated 20 August 2021, sent at 17.35.

52. On 23 August 2021, Inperio queried several of the responses provided including:

“Question 3 not answered

I asked why staff at Notary Express were engaged after I told you Hanif back in December 2020, that I did not want to add any staff or work of Notary Express. Did you clearly tell the Insured this?

The four ex Notary Express staff are:

Laura Christine Walsh (SRA 479362) who was a DIRECTOR of Notary Express Ltd- she resigned 21 Feb 2021 (as per Companies House record)

3 additional staff are:

1) Kamaljit Kaur Cheema Kailley (SRA 600466) (Admitted as a solicitor: 03/04/18)

2) Manjit Kaur (SRA 359911) (Admitted as a solicitor 16/07/12)

3) Jasbir Kaur Dhaliwal (SRA 629059) (Admitted as a solicitor 15/12/17)

On what basis did the Insured decide that it was acceptable to engage these staff AND take on Notary Express WIP when I stated clearly I did not want to insure this?”

53. The email from Inperio also raised additional questions including:

“Additional Question 2

The response to Question 1 states WIP was transferred in. What was the financial consideration given for the WIP, what work was undertaken, and again – why wasn’t I informed of this material change? Especially when I said I did not want to incorporate any work from Notary Express into the firm. The Insured can give me an explanation why they believe they disregard what I say and can do what they want? I am disappointed by the responses Hanif and await answers to my original questions and updates as given in this email.”

54. Mr Hanif replied to this email the same day confirming, amongst other things:

“as we had taken on some of the sale and purchase files without mortgages, we decided that it would be good for consistency and client care purposes to take on these fee earners as consultants. All 3 referred to below resigned from their roles at Notary Express and then came on board as consultants with XYZ. Further details of individuals against their names below....

We could not buy the entity but there was nothing preventing us to take on Notary Express WIP or take on more people?”

55. In response to “additional question 2” raised by Inperio’s, Mr Hanif replied:

“Apologies if I mis-understood, as far as I recall, although I could not buy the entity I could take on the WIP. Please note, the arrangement we have is that any cases we complete, we pay 20% commission just like a referral fee you would pay in a standard conveyancing transaction so thought nothing further of it. Sincere apologies again if we have mis-understood.”

56. The email of 23 August 2021, at 10.49, is a forward email of the original email from the Respondent to Mr Hanif dated 23 August 2021, sent at 10.34.

57. On 3 September 2021, Inperio raised additional queries in respect of Notary Express Limited which were answered by Mr Hanif in an email dated 15 September 2021, sent at 19.45. Mr Hanif’s email attached the Notice of Succession document dated 17 December 2020, confirming that the Firm became the successor business to Notary Express Limited in relation to all matters excluding wills.

58. The email of 15 September 2021, at 19.45, is a forward email of the original email from the Respondent to Mr Hanif of the same date, sent at 19.35.

59. On 17 September 2021, Inperio emailed Mr Hanif stating:

“Hi Hanif

Attachment 2 is the email that contains a PDF “Notice of Succession” between Notary Express Ltd and XYZ Law Ltd effective 17 December 2020.

I have attached my email to you (which you acknowledged same day) dated 9 December 2020 clearly stating I was not interested in absorbing any element of Notary Express Ltd into XYZ Law Ltd.

Therefore, it would appear that despite my clear intentions setting out I was not interested in absorbing Notary Express Ltd into XYZ Law Ltd the Insured has completely disregarded my thoughts and succeeded them anyway?

I will have to charge an AP reflective not only of transferred in WIP, but the legacy of Notary Express Ltd (details of which we saw from numerous brokers in Winter 2020).

Did you clearly set out my thoughts to the Insured following our emails on 9th December. We need to sort this out early next week please.”

60. On 24 September 2021, the Respondent told Mr Hanif he wanted to speak with Inperio directly.

61. On 28 September 2021, Inperio emailed Mr Hanif stating:

“Based on the information provided and (presumably) your subsequent discussion with the Insured, does the Insured accept they are a successor to Notary Express and have blindly disregarded my wishes to take on any element of that risk?”

62. Mr Hanif replied two minutes later stating:

“Had the same conversation and he’s still struggling to understand our point. I know this sounds like an odd request but Mr Dadu was requesting to have a chat with you....”

Factual Background relating to Allegation 1.2

63. On 15 July 2021, the SRA sent an email to the Respondent telling him about an investigation into XYZ Law’s conduct. The body of the email but not its subject line included the heading *“Investigation into XYZ Law’s conduct”* in bold font. The email set out the general nature of the complaint and stated amongst other things the information below:

“We now need to look at the concerns more closely and I am investigating the matter. You may find it helpful to refer to guidance on our website, which explains how we investigate a matter www.sra.org.uk/solicitors/guidance/ethics-guidance/we-are-investigating-you”.

“Our Investigations Where we identify serious breaches of our rules, Standards or Regulations, or serious risks to consumers, the public or the wider public interest, we will take action. We are at an early stage in our investigation and no decision has been reached yet as to what action, if any, we will take. We will keep you updated.”

“Please do talk to me at any time if you are finding the investigation process difficult or of concern. There are also sources of advice and support available on our website at www.sra.org.uk/support.”

64. The email raised several questions and requested information from the Respondent by 6 July 2021.

65. The Respondent replied to the SRA on 1 September 2021. In it, the Respondent replied to the 15 July 2021 email, provided answers to the questions, and apologised for the delay in responding.

66. On 24 July 2021, Mr Hanif sent to Inperio an amended PIIPF with a covering letter providing supplementary information.

67. At Part 7 of the amended PIIPF the Respondent confirmed that no Principal or fee-earner at the Firm had ever practised in a firm subject to an investigation or intervention by the Law Society or Solicitors Regulation Authority (including OSS & CSS).

68. At Part 13 of the amended PIIPF the Respondent confirmed:

- 1) There had been no significant change in the practice in the last year and that no significant changes were expected in the coming year; and
- 2) There wasn't any other material information that may be relevant to the application.

69. At Part 14 of the amended PIIPF was the declaration which included the following text:

“I/We declare that the Statement and Particulars in this Proposal are true and that I/We have not mis-stated or suppressed any Material Facts. I/We agree that this Proposal, together with any other information supplied by Me/Us shall form the basis of any Contract of Insurance effected thereon. I/We undertake to inform Insurers of any material alteration of these facts occurring before completion of the Contract of Insurance. Signing this Declaration does not bind the Proposer or Insurer to complete this insurance.”

70. Whilst Part 14 of the document was not signed, the Respondent had inserted his name and title together with the date.

71. The updated PIIPF was provided at the request of Inperio. Subsequent disclosure of the Notice of Succession document of 17 December 2020 and the acquisition of Notary Express Limited's WIP etc was made between July and September 2021. According to the Applicant, no information regarding the ongoing SRA investigation was ever disclosed to Inperio.

72. Inperio confirmed in an email to the SRA why the Respondent completed the PIIPF of 24 July 2021:

“I think it is worth putting in context why a proposal form was completed by Mr Dadu at this time. This form was a “update to his original proposal form” and completed during the policy period, at our request – as it had been brought to our attention that Mr Dadu had likely misled us when making his original application. The aim of this proposal form was to allow us to “rebase” our view of his firm. Based upon the information provided and our further investigations we ultimately issued a “notice of adjustment under Section 7 of our policy terms and conditions” and sought to charge an additional premium of £67,000 (invoice attached) this was on the basis that the firm had provided misleading information in relation to among other things the succession of Notary Express.”

Neither the firm nor Mr Dadu paid the additional premium charged, and we issued recovery proceedings against Mr Dadu personally (we held a personal guarantee against him for debts incurred by the company), ultimately, we entered a settlement agreement with the Mr Dadu (copy attached) on the 25 May 2022 where he paid £23,000 in settlement of our debt. You will note by this point Mr Dadu's practice had been succeeded by Abbot Legal (copy endorsement attached) and thus our liability to the firm had ceased...”

Respondent's responses to the Applicant

73. On 21 July 2023, the Respondent provided his representations in response to the SRA's Notice dated 12 June 2023. A brief summary of the Respondent's response is provided below:
- 1) The Respondent accepts that he did not notify insurers of the acquisition of files and work in progress from Notary Express. He did not do so because he believed at the time that there was no need to do so. His position is that his broker had verbally confirmed that insurers would not permit the acquisition of the practice of Notary Express but that this would not prevent the acquisition of individual files.
 - 2) The Respondent confirms that the initial PII policy obtained by XYZ Law was an 18 month policy set to expire in January 2022. It is fairly standard to begin a renewal process approximately 3 months prior to policy expiry. In this case, Mr Dadu needed to notify his insurers of a change of address. He was told that the way to do that was by way of a PII form. He accordingly produced a form for that limited purpose. He did not answer all questions and, importantly, did not sign the declaration because that was not the purpose of the form.
 - 3) He denies that he has acted dishonestly or without integrity and maintains that all of his actions have been well intentioned albeit that he did not always fully appreciate the consequences of such actions. That was a result of naivety and inexperience and not wilfulness or disregard of professional standards.

Witnesses

74. Mr Mohammed Hanif and the Respondent, Mr Dadu gave oral evidence in the Substantive Hearing.
75. The oral and written evidence of the Respondent and Mr Hanif is referred to or summarised in the Findings of Fact and Law below in so far as they are relevant to the findings of the Tribunal, and to facts or issues in dispute between the parties.
76. For the avoidance of doubt, the Tribunal read all of the documents in the case and heard and made notes of the oral evidence of all witnesses. The absence of any reference to particular evidence should not be taken as an indication that the Tribunal did not read, hear or consider that evidence.

Findings of Fact and Law

77. The Applicant was required to prove the Allegations on the balance of probabilities. The Tribunal had due regard to its statutory duty, under section 6 of the Human Rights Act 1998, to act in a manner which was compatible with the Respondent's right to a fair trial and to respect for their private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

Allegation 1

- 78. Between 14 December 2020 and 23 June 2021, whilst in practice as a solicitor at XYZ Law Limited (“the Firm”), the Respondent failed to notify the Firm’s professional indemnity insurance provider of a material alteration to the Firm, namely that the Firm had acquired parts of Notary Express Limited, including its files, which it was required to do under the Firm’s policy of insurance. In doing so he breached Principle 2 of the SRA Principles 2019.**

The Applicant’s Case – Allegation 1*Alleged failure to maintain public trust (Principle 2 SRA 2019 Principles)*

- 78.1 The Applicant referred to Part 7.8 of the Firm’s policy of insurance, which created an obligation on the insured to notify the insurer of any material alteration to the risk during the Period of Insurance
- 78.2 The Applicant asserted that it is incumbent on the insured before a contract is entered into to make to the insurer a fair presentation of the risk. According to the Applicant, a fair presentation of risk is one that discloses every material circumstance which the insured knows or ought to know. Conversely, a circumstance or representation is material if it would influence the judgement of a prudent insurer in determining whether to take the risk and, if so, on what terms.
- 78.3 Between 8 December 2020 and 21 December 2020, the Respondent enquired with his insurer about acquiring Notary Express Limited and also transferring their CQS/conveyancing files. On 21 December 2020, the Respondent received notification from the insurer that they did not wish to add any element of Notary Express Limited into the Firm.
- 78.4 One week before receiving this information from the insurer, the Respondent, on 14 December 2020, signed a Notice of Succession for the Firm to become the successor business to Notary Express Limited in relation to conveyancing and landlord and tenant matters. Three days after this on 17 December 2020, the Respondent signed a Notice of Succession for the Firm to become the successor business to Notary Express Limited in relation to all matters excluding wills.
- 78.5 The Applicant asserted that the Respondent, despite the Firm’s insurers telling him that they did not wish to add any element of Notary Express Limited into the Firm on 21 December 2020, failed to notify the Firm’s insurers that he had already done so, by signing the Notice of Succession documents dated 14 December 2020 and 17 December 2020. According to the Applicant, the insurers did not become aware that the Firm had become a successor business to Notary Express Limited and that Notary Express Limited files had been transferred to the Firm until at least 24 July 2021, approximately seven months later. According to the Applicant, they only became aware of this material change after actively requesting additional information from the Respondent.
- 78.6 The Applicant asserted that the files/work taken on by the Firm from Notary Express Limited represented a material alteration to the risk during the Period of Insurance

which was reflected in the resulting increase in the Firm's insurance premium by £67,000 upon the insurer being made aware of this information.

- 78.7 The Applicant further asserted that the Respondent was aware of the fact that the acquisition of work from Notary Express Limited represented a material alteration to the risk during the Period of Insurance as evidenced by his enquiries with the insurer between 8 December 2020 and 21 December 2020. The Applicant alleged that in failing to notify the Firm's insurer of this material alteration, the Respondent has breached Principles 2 of the SRA Principles 2019.
- 78.8 In the Applicant's view, public would expect a solicitor to provide full and frank disclosure to their insurers regarding any changes to their business, that may affect the terms of their business. The Applicant alleged that the trust the public would place in the Respondent and in solicitors generally was therefore seriously diminished by his failure to disclose material alteration to the risk during the Period of Insurance and Principle 2 was therefore breached.

The Respondent's Case – Allegation 1

Alleged failure to maintain public trust (Principle 2 SRA 2019 Principles)

- 78.9 The Respondent accepted, with hindsight, that he failed to notify a material alteration to the professional indemnity insurers of the Firm, namely that the Firm had taken on a body of files from Notary Express and then taken on former staff of Notary Express to service the work as consultants. The Respondent asserted that he did so based on a mistaken premise and did not intentionally fail to comply with any obligations.
- 78.10 During the relevant period, the Respondent did not believe that there had been any material alteration to the Firm because: -
- a. The Respondent had originally made an enquiry with the broker about the possibility of taking over the business of Notary Express Limited when it fell into difficulties in late 2020. His intention was to grow the Firm which had been established relatively recently. The Respondent had no previous management experience.
 - b. Following consultations with the broker in early December 2020, the Respondent understood that he could not take over the business of Notary Express in its entirety. The Respondent then enquired with the broker about purchasing some sales files and purchase files where no lender was involved ('the Files'). Based on what he understood from his discussions with the broker, the Respondent mistakenly but genuinely believed that he was able to take on the Files from Notary Express which were within the scope of the work types the Firm were already conducting which included conveyancing and the Files.
 - c. The broker was aware that the Files had been taken on from Notary Express.
 - d. All of the Respondent's subsequent actions flowed from the mistaken belief that it was permissible to take on the Files from Notary Express and that taking on such

files would not amount to a material change because they did not affect the type of work which had been notified to the insurer.

- e. The Respondent has carefully reviewed the documents from the time, including the correspondence with the broker and previously undisclosed correspondence with the insurer and recognises with hindsight that he had not recognised the strength of insurers' concerns about Notary Express.
 - f. The Respondent was, at the time, basing his actions on his understanding of a conversation with the broker which occurred on or shortly after 9 December 2020 and of which there is no note. By the time the Respondent received any indication of insurers' position in writing, he already had it firmly in mind that it was permissible to take on the Files from Notary Express and his interpretation of later emails was affected by that understanding. The Insurers' clearest email was, in fact, never forwarded to the Respondent.
 - g. The Respondent noted that the email to the broker dated 19 December 2020 at 4:23pm said that the Respondent has purchased the Files from Notary Express. A further email from him was similarly copied to the broker and states that "*I have now acquired Notary Express.*" That wording was objectively sloppy and should have read '*I have now acquired the files of Notary Express.*' That email was however addressed to the Law Society in connection with the CQS scheme and the information was by way of background update on previous correspondence.
 - h. Despite these two emails, the broker did not raise a concern or inform the Respondent that he must not proceed, nor that the purchase of the files was either impermissible or a material change which needed to be communicated to the insurer. In the circumstances, the Respondent accepts that he acted on a mistaken premise and did not give enough critical thought to whether there had been a material alteration in the risk profile of the Firm. He recognises that he should have done more to establish what he was and was not permitted to do in the circumstances.
 - i. Accordingly, the Respondent admits that his actions amounted to a breach of Principle 2 in that the reputation of the profession could be damaged by a solicitor failing to be absolutely clear as to his position with insurers before taking on a body of work.
 - j. The Respondent asserted that he genuinely failed to appreciate that his actions in relation to Notary Express needed to be communicated to the insurer. That was a mistake which, the Respondent submitted, was borne out of naiveté and a certain amount of wishful thinking rather than willful misconduct.
- 78.11 The Respondent further admitted that he could have done more to establish what the true position relating to the taking over of the files and staff from Notary Express was from the insurer's perspective. However, the Respondent pointed out that the relevant information was sitting in the broker's (Mr Hanif's) inbox, in an email sent by the Respondent. Mr Hanif accepted during his cross-examination that he did not forward that email to the insurer because he had been busy travelling and that the Respondent's email was sitting in his inbox. The only way for the Respondent to communicate with

the insurer was through Mr Hanif. The Respondent had requested to contact the insurer directly, but this was refused.

The Tribunal's findings – Allegation 1

Alleged failure to maintain public trust (Principle 2 SRA 2019 Principles)

- 78.12 The Tribunal was satisfied that the facts relating to Allegation 1 were proved on the balance of probabilities and that the Respondent's admission of breach of Principle 2 of the SRA Principles 2019 had been properly made.
- 78.13 The Tribunal agreed with the Applicant that public would expect a solicitor to provide full and frank disclosure to their insurers regarding any changes to their business, that may affect the terms of their business. Solicitors' firms are required to have insurance in place because it provides protection to the public and the public would expect them to comply with its terms.
- 78.14 The Tribunal further noted that Notary Express had been failing because it could not obtain insurance. As the Respondent accepted, this alone should have alerted the Respondent to the need to ensure that the Firm complied with the insurer's requirements in relation to taking over the files from Notary Express and that any necessary approvals from the insurer were obtained. In addition, the Respondent should have recognised the need to be particularly diligent, as he was giving undertakings to honour all undertakings given by Notary Express in cases that were transferred to the Firm.
- 78.15 Therefore, the Tribunal found that the Respondent had breached Principle 2 of the SRA Principles 2019 because the trust the public would place in the Respondent and in solicitors generally was diminished by the Respondent's failure to disclose to the insurer the material alteration to the risk during the Period of Insurance represented by the acquisition of the files.

Allegation 2

79 On 23 July 2021, he provided information to the Firm's insurers in a professional indemnity insurance proposal form ("PIPF") which was inaccurate and/or misleading which indicated:

- 2.1. No Principal or fee-earner in the Practice had ever practised in a firm subject to an investigation or intervention by the Law Society or Solicitors Regulation Authority;**
- 2.2. There had been no significant change to the Firm's practice in the last year and that no significant change was expected in the coming year; and**
- 2.3. There was no other material information that may be relevant to the application.**

This information was false and the Respondent knew it was false.

In so doing so he breached any or all of Principles 2, 4 and 5 of the SRA Principles 2019 and paragraph 1.4 of the Code of Conduct for Solicitors, RELs and RFLs 2019.

The Applicant's Case – Allegation 2

- 79.1 According to the Applicant, on 23 June 2021 the insurer notified the Respondent, through the insurance broker, of a number of material changes that had been brought to their attention following a review of the Law Society and SRA websites. The insurer requested, amongst other things, a new PIIPF be completed by the Respondent to cover off the work undertaken by the Firm from June 2020 to date.
- 79.2 On 23 July 2021, the Respondent completed an updated PIIPF which was forwarded to the insurer through the broker. The PIIPF indicated amongst other things that:
- 1 No Principal or fee-earner in the Practice had ever practised in a firm subject to an investigation or intervention by the Law Society or Solicitors Regulation Authority;
 - 2 There had been no significant change to the Firm's practice in the last year and that no significant change was expected in the coming year; and
 - 3 There was no other material information that may be relevant to the application.
- 79.3 The Applicant asserted that this information was untrue, and that the Respondent had known this to be untrue, given in particular that:
- 1 On 14 December 2020, the Respondent signed a Notice of Succession for the Firm to become the successor business to Notary Express Limited in relation to conveyancing and landlord and tenant matters.
 - 2 On 17 December 2020, the Respondent signed a Notice of Succession for the Firm to become the successor business to Notary Express Limited in relation to all matters excluding wills.
 - 3 On 15 July 2021, the Respondent received an email from the SRA notifying him that the Firm were under investigation by them.
- 79.4 The Applicant further asserted that the Respondent only subsequently notified the insurer that the Firm became the successor business to Notary Express Limited following further enquiry by the insurer. In the Applicant's view, it would have been obvious to the Respondent that the Firm becoming the successor business to Notary Express Limited in relation to all matters excluding wills represented a significant change to the Firm's practice. The Applicant further relied on the fact that the Respondent had made a request to his insurer about the possibility of acquiring Notary Express Limited/its work, but this request had been declined.
- 79.5 In addition, the Applicant asserted that the Respondent never revealed to the insurers that the Applicant was investigating the Firm.

79.6 The Applicant alleged that in completing the PIIPF in the above way the Respondent breached any or all of Principles 2, 4 and 5 of the SRA Principles 2019, and paragraph 1.4 of the Code of Conduct for Solicitors, RELs and RFLs 2019, which are mandatory Principles which apply to all those regulated by the SRA. Principle 2 requires that solicitors “behave in a way that maintains the trust the public places in you and in the provision of legal services”. Principle 4 requires that solicitors “act with honesty”. Principle 5 requires that solicitors “act with integrity”

Alleged dishonesty (Principle 4 of the SRA Principles 2019)

79.7 With respect to the allegation of dishonesty, the Applicant relied on the judgment of the Supreme Court in *Ivey v Genting Casinos* [2017] UKSC 67, which set out the test for dishonesty and applies to all forms of legal proceedings, namely that the person has acted dishonestly by the ordinary standards of reasonable and honest people.

79.8 The Applicant alleged that the Respondent was dishonest in accordance with the test laid down in *Ivey v Genting Casinos (UK) Ltd* [2017] UKSC 67 because:

- 1 He knew the Firm had become the successor business to Notary Express Limited in relation to all matters represented a significant change to the Firm’s practice.
- 2 He knew the Firm were taking on a significant volume of work from Notary Express Limited which represented a significant change to the Firm’s practice.
- 3 He knew the Firm were under investigation by the SRA as of 15 July 2021.

79.9 The Applicant asserted that despite knowledge of the above facts, the Respondent had chosen to conduct himself and disclose information to the Firm’s insurer that ignored or disregarded those facts. In the Applicant’s view, ordinary decent people would regard such conduct to be dishonest.

Alleged Lack of Integrity (Principle 5 of the SRA Principles 2019)

79.10 The Applicant relied on *Wingate v Solicitors Regulation Authority v Malins* [2018] EWCA Civ 366, where it was said that:

“In professional codes of conduct, the term ‘integrity’ is a useful shorthand to express the higher standards which society expects from professional persons and which the professions expect from their own members... The underlying rationale is that the professions have a privileged and trusted role in society. In return they are required to live up to their own professional standards.”
(paragraph 97)

79.11 The Applicant alleged that a solicitor acting with integrity would not provide information to the Firm’s insurer or insurance broker on a PIIPF which he knew to be false. Therefore, the Applicant alleged that the Respondent had breached Principle 5.

Alleged failure to maintain public trust (Principle 2)

- 79.12 The Applicant alleged that public would expect any statement made by a solicitor in connection with the business affairs of their practice to be strictly true and accurate, and particularly so when they were dealing with a third party such as an insurer in relation to whom they stood in a relationship of utmost good faith.
- 79.13 According to the Applicant, the trust the public would place in the Respondent and in solicitors generally was therefore seriously diminished by his provision of untruthful information to the Firm's insurer or insurance broker on a PIIPF in the knowledge that it was false. In the Applicant's view, the Respondent had, therefore, breached Principle 2.

The Respondent allegedly misled or attempted to mislead the insurer (Paragraph 1.4 of the Code)

- 79.14 The Applicant alleged that by completing and submitting a PIIPF form to the Firm's insurer or insurance broker that contained untrue and misleading information the Respondent misled them or attempted to mislead them. Therefore, the Respondent had, in the Applicant's view, breached paragraph 1.4 of the Code

The Respondent's Case – Allegation 2

- 79.15 The Respondent noted that his initial recollection as to the purpose of the mid-term PII form, which he provided in his response to the SRA's Notice on 21 July 2023, was not accurate. The Respondent explained that although the sequence of events which led to the submission of the PIIPF form started with the change of address for the Firm, the stated purpose for submission of the form was the staffing changes to the Firm, which was apparent from Companies House and SRA records. The Respondent apologised for this inaccuracy in his response on 21 July 2023. According to the Respondent, the inaccuracy was based on an incomplete recollection of events some two years after the fact. He has now had the opportunity to review the correspondence disclosed and refresh his memory.
- 79.16 The Respondent denied Allegation 2 on the basis that he did not knowingly provide any false, incorrect, or incomplete information to insurers. The Respondent asserted:
- a. The Respondent was asked to complete a new PII form mid-policy by email dated 23 June 2021 from the broker. The request was presented as part of a regular audit and a response requested when the Respondent was able. Insurers' email of 23 June indicated that insurers were aware of a material change in relation to staff. Insurers' questions were answered on 16 July 2021 when all CVs requested were supplied.
 - b. It follows that the insurers were aware of changes they regarded to be material by 23 June 2021. Information as to those changes was supplied on 16 July 2021.
 - c. It is clear that the proposal form in the Exhibit MLR1 is not all of the information provided to insurers. The 23 July 2021 email from the Respondent indicated that the impugned form is provided with several attachments, including the email of 16 July 2021 which appears separately and had 9 exhibits, including a proposal

form. Neither the 16 July 2021 proposal form, nor the attachment “*solicitors details continue on sheet*” has been exhibited by the SRA. The Respondent no longer has access to emails from that period.

- d. The email from the Respondent to the broker on 16 July 2021 is ambiguous on its face as to whether it is answering yes or no to the questions at part 7 of the proposal form which include the question about practice in a firm subject to investigation. The Respondent responded in the email: “*confirmed as no*”. There is no evidence of follow up from insurers on this point.
- e. The form dated 23 July 2021 is not signed and has never been signed by the Respondent.
- f. It is accordingly submitted that the proposal form bearing the date 23 July 2021 cannot be viewed in isolation. It must be seen in the context of the Respondent believing that this was an administrative process where insurers were specifically focused on obtaining information on about the additional staff brought in to the Firm and the work carried out since June 2020.
- g. There is no evidence that the Respondent had read the email from the SRA dated 15 July 2021 by 23/24 July 2021. He has no memory of doing so.
- h. It is noted that the email of 15 July 2021 from the Applicant to the Respondent is not headed in any way which suggests that it is urgent. Further, it was sent at 17.21, right at the end of the working day and in circumstances where the Respondent provided the initial response to insurers on the following day which suggests that that work involved in collating that information had been in hand for some time and was in the process of being finalised.
- i. It is noted that the email from the Applicant to the Respondent on 15 July 2021 asks for a response to a number of enquiries by 6 July 2021. Any solicitor receiving and understanding this email would immediately have challenged the fact that the SRA was seeking a response by a deadline 9 days prior to receipt of the request. In fact, the Respondent did not respond until 1 September 2021.
- j. The Respondent accepted that the information provided to insurers on 24 July 2021 was incorrect in some respects. He did not know that it was incorrect at the time and believed that the purpose of the form was to provide further details on staff at the practice.

79.17 Accordingly, the Respondent denied Allegation 2 on the basis that it is put on the basis of knowing provision of incorrect information.

79.18 The Respondent emphasised that Allegation 2 rests on the word “*knowing*.” The Respondent asserted that just because a document contains incorrect information does not automatically mean that the person that has prepared it is dishonest or lacks integrity. The Respondent accepted that he did not pay enough attention in completing the form. A lot was going on in the Firm and the evidence shows that the Respondent did not know at the time that the information on the PII form was incorrect.

- 79.19 In addition, the Respondent pointed out that the evidence showed that the Respondent had requested to speak directly to the insurer on 28 July 2021 before the form was submitted because the Respondent had wanted to know what the problem with the form was and what the insurer wanted from him/the Firm.
- 79.20 The Respondent asserted that he had genuinely struggled to understand the materiality of taking on the files on a referral basis and why that was an issue for the insurers. He had not thought that the new insurance proposal form was anything more than a formality and considered that he was merely required to provide the requested to add further specific information to the “old” form rather than completing a new renewal of the insurance.
- 79.21 Looking back now the Respondent accepted that he had not appreciated the importance of the insurer’s concerns or the significance of being asked to confirm changes by way of a mid-policy proposal form.
- 79.22 However, the Respondent denied having tried to hide anything from the insurers. The Respondent asserted that it was clear from the correspondence that the insurers had received his genuine, albeit now admittedly misguided, views on the questions they were asking. Once the Respondent had understood the issue, he apologised for the oversight and answered the questions asked.

Alleged dishonesty (Principle 4 of the SRA Principles 2019)

- 79.23 The Respondent reminded the Tribunal that in relation to the allegation of dishonesty the key issue was the Respondent’s state of mind at the relevant time when he answered the insurer’s questions. According to the Respondent, he had genuinely misunderstood the purpose of the PII form and genuinely struggled to understand what the insurer’s concern was and what the insurer had required of him. In any event, the Respondent had provided the relevant information about taking on the referral files from Notary Express, but it was sitting in Mr Hanif’s inbox because he had not forwarded it to the insurer.
- 79.24 As regarded the Applicant’s email regarding the investigations against the Respondent, the Respondent explained that he had not read the email before he responded to the insurer because he had been in and out of the office with ill health and due to various other commitments, which he had detailed in his email to the insurers on 20 August 2021.
- 79.25 In particular, the Respondent denied the Applicant’s allegation that the Respondent had known that the information provided to the insurer had been false. According to the Respondent, the evidence clearly showed that he had not known the information to be false. Instead, the Respondent reiterated that he had genuinely struggled to understand what was going on with the PII form and what was required of him. There was also no evidence to show that he had been aware of or the Applicant’s email of or that he had knowingly ignored the Applicant’s email.
- 79.26 The Respondent further relied on Mr Hanif’s evidence that the Respondent is an honest man but had genuinely struggled to understand the insurer’s point and what he had been required to do.

Alleged Lack of Integrity (Principle 5 of the SRA Principles 2019)

79.27 The Respondent denied having breached Principle 5 of the SRA Principles 2019 on the basis that he denied having breached Principle 4 of the SRA Principles 2019. The Applicant's allegation of breach of Principle 5 rested on the Respondent's alleged knowledge of the fact that the information provided to the insurer had been false. However, according to the Respondent, the evidence showed that he had not known that the information that he had provided to the insurer had been false, as it described further above.

Alleged failure to maintain public trust (Principle 2)

79.28 Similarly, the Respondent denied having breached Principle 2 of the SRA Principles 2019 on the basis that he had not known the information provide to the insurer to be false. The applicant's allegation of a breach of Principle 2 again rested on the Respondent's alleged knowledge of the fact that the information that he had provided to the insurer had been false, where the evidence showed that this had not been the case, as is described further above.

The Respondent allegedly misled or attempted to mislead the insurer (Paragraph 1.4 of the Code)

79.29 The Respondent denied the Applicant's allegation that the Respondent had misled or tried to mislead the insurer in breach of paragraph 1.4 of the SRA Code of Conduct similarly on the basis that the Respondent had not known that the PII form had contained incorrect information.

79.30 The Respondent asserted that a solicitor cannot breach paragraph 1.4 of the Code of Conduct by making innocent mistakes and that misleading an insurer recklessly is different from misleading a court. The Respondent further pointed out that the Applicant's case was not in any event based on an allegation of recklessness. The Applicant had pleaded its case on the basis of the Respondent's alleged knowledge. The Applicant's case rested on the assumption that the Respondent's breach was deliberate, and he had been motivated to hide facts so that the insurance premium was not increased. According to the Respondent, the evidence was simply not there to show this to have been the case.

79.31 Thus, the Respondent asserted that if the Tribunal simply found that the Respondent had not been paying enough attention when completing the form but that he had not known that the form contained incorrect information, the Tribunal could not find the allegation proved.

Tribunal's Findings – Allegation 2

79.32 The Tribunal agreed with the Respondent's assertion that the Respondent's contemporaneous knowledge was key to determining whether Allegation 2 was proved.

79.33 The Tribunal considered that the information provided by the Respondent to the insurer was incorrect and misleading when assessed objectively. The Tribunal further

considered that the Respondent should have been more diligent and should have made enquiries to ensure that he complied with the insurer's requests.

79.34 However, the Tribunal was satisfied on the balance of probabilities that the Respondent had not genuinely known that the PII form contained incorrect information.

79.35 In particular, the Tribunal was not satisfied that the Applicant had proven on the balance of probabilities that the Respondent had known about the Applicant's investigation at the time when he submitted the PII form to the insurer. Similarly, the Tribunal was not satisfied that the Applicant had proven on the balance of probabilities that the Respondent had not genuinely thought that he could take on the files from Notary Express on a referral basis and that this did not constitute a material change to the business of the Firm. Moreover, the Tribunal was not satisfied that the Applicant had proved that the Respondent had known that there was other material information that may have been relevant to the insurance application.

79.36 Therefore, the Tribunal found that the facts relating to Allegation 2 were not proved on the balance of probabilities.

Alleged dishonesty (Principle 4 of the SRA Principles 2019)

79.37 As the Tribunal concluded that the Applicant had failed to prove the facts in Allegation 2, the Applicant's case against the Respondent failed on that basis alone. In any event, the Tribunal found that the Applicant had failed to prove on the balance of probabilities that the Respondent had been dishonest within the test set out in *Ivey v Genting Casinos* [2017] UKSC 67, namely that the person has acted dishonestly by the ordinary standards of reasonable and honest people.

79.38 Accordingly, the Tribunal dismissed the Applicant's allegation that the Respondent had breached Principle 4 of the SRA Principles 2019.

Alleged Lack of Integrity (Principle 5 of the SRA Principles 2019)

79.39 The Tribunal noted that the Applicant's case in relation to the Respondent's alleged lack of integrity in breach of Principle 5 of the SRA Principles 2019 rested on the allegation that the Respondent had known that the information on the PII insurance form was false. As the Applicant had failed to prove the facts in Allegation 2, and particularly the Respondent's knowledge, the Applicant's allegation that the Respondent had acted without integrity in breach of Principle 5 of the SRA Principles 2019 similarly failed.

79.40 Accordingly, the Tribunal dismissed the Applicant's allegation that the Respondent had acted without integrity in breach of Principle 5 of the SRA Principles 2019.

Alleged failure to maintain public trust (Principle 2)

79.41 The Applicant's case in relation to the alleged failure to maintain public trust and confidence in the legal profession in breach of Principle 2 of the SRA Principles 2019 also rested on the factual allegation that the Respondent had known the information on the PII insurance form to be incorrect. As the Applicant had failed to prove the facts in

Allegation 2, and particularly the Respondent's knowledge, the Applicant's allegation that the Respondent had acted without integrity in breach of Principle 2 of the SRA Principles 2019 similarly failed.

79.42 Therefore, the Tribunal dismissed the Applicant's allegation that the Respondent had breached Principle 2 of the SRA Principles 2019.

The Respondent allegedly misled or attempted to mislead the insurer (Paragraph 1.4 of the Code)

79.43 The Tribunal noted that the information on the PII insurance form had been incorrect, but accepted that the Respondent's assertion that the Applicant had pleaded its case for a breach of paragraph 1.4 of the SRA Code of Conduct on the basis that the Respondent had known the information on the insurance form to be false and had deliberately hidden information from the insurer in an attempt to prevent the Firm's insurance premiums from being increased.

79.44 As described further above, the Tribunal was not satisfied that the Applicant had proved on the balance of probabilities that the Respondent had known that the information on the PII insurance form was incorrect. The Respondent had not misled or attempted to mislead the insurer when the Respondent completed the insurance form even though it contained objectively incorrect information. Therefore, the Tribunal dismissed that the Applicant's allegation that the Respondent had breached paragraph 1.4 of the SRA Code of Conduct.

Previous Disciplinary Matters

80 There were no previous disciplinary matters against the Respondent.

Mitigation

81 The Respondent provided numerous character references in his favour. The Tribunal noted that all the character references spoke very highly of the Respondent and described the Respondent, among other things, as "*kind and considerate,*" "*caring and decent,*" "*honest,*" "*charitable,*" "*generous,*" "*compassionate,*" "*willing to help when needed,*" "*a credible member of community,*" "*professional*" and someone who has demonstrated "*honesty and integrity, as well as a strong commitment to maintaining the highest standards of the legal profession.*"

Sanction

82 In determining a sanction for the Respondent, the Tribunal considered the Solicitors Disciplinary Tribunal's Guidance Note on Sanction (10th Edition /June 2022) (the "Sanctions Guidance").

83 The Tribunal's overriding objective, when considering sanction, was the need to maintain public confidence in the integrity of the profession. In determining sanction, the Tribunal's role was to assess the seriousness of the proven misconduct and to impose a sanction that was fair and proportionate in all the circumstances. In determining the seriousness of the misconduct, the Tribunal was to consider the

Respondent's culpability and harm identified together with the aggravating and mitigating factors that existed.

- 84 In relation to Allegation 1, which was proven on the balance of probabilities and properly admitted by the Respondent, the Tribunal assessed the Respondent's culpability in relation to the Respondent's failure to provide the necessary disclosure to the Firm's insurer regarding the changes to the Firm's business as ranging between a low and medium level of culpability. As the Applicant had failed to prove on the balance of probabilities that the Respondent had known that the insurance form contained incorrect information, it could not be said that the Respondent's misconduct had been planned or spontaneous. The Tribunal further noted that the Respondent had not misled the regulator.
- 85 The Tribunal then considered the issue of harm. In the Tribunal's view, the Respondent's misconduct had not caused any actual harm to the public. Whilst the Respondent's misconduct had exposed the insurer at least to some foreseeable risks, the insurer would not have been able to avoid the insurance policy and while it could have increased the premium it had later still been able to do this anyway. However, the Tribunal considered that any breach of the SRA Principles 2019 causes at least some harm to the reputation of the legal profession. The Tribunal further noted that the Respondent's misconduct had continued for a period of some time.
- 86 The Tribunal considered that there were no particular aggravating factors of the type set out in the Sanctions Guidance relating to the Respondent's misconduct. However, the Tribunal considered that the Respondent's misconduct had been mitigated by the fact that the Respondent had shown genuine insight by apologising for his misconduct and admitting breach of Principle 2 of the SRA Principles 2019 in relation to Allegation 1 and by the Respondent showing that (as the Tribunal accepted) he had reflected on his misconduct and learnt his lessons. The Tribunal further considered that the Respondent's reliance on Mr Hanif's advice on insurance matters (in which the Tribunal accepted the Respondent was not well versed) was an additional mitigating factor. The Tribunal further noted that the Respondent's misconduct had constituted a single episode, although it had not been rectified during a period of approximately 6 months.
- 87 The Tribunal concluded in light of the above considerations that the appropriate and proportionate sanction was to reprimand the Respondent, Anis Yusuf Dadu. The Tribunal considered that the reprimand adequately protected the public and the reputation of the legal profession taking into account all the circumstances of the case and paragraphs 24 and 25 of the Sanctions Guidance
- 88 The Tribunal was satisfied that the Respondent's culpability was relatively low, there was no identifiable harm caused to any individual and the risk of any harm to anyone as a result of the Respondent's misconduct was small. In addition, the Tribunal was satisfied that the Respondent had shown a genuine insight and learnt his lesson and that the likelihood of future misconduct of a similar nature was very low.

Costs

- 89 The Applicant's final schedule of costs amounted to £ 28,157.88, which took into account the fact that the length of the hearing was slightly reduced and an additional half a day attendance by a paralegal had been removed. The majority of the Applicant's costs comprised the fees of five fee earners of varying seniority from Capsticks Solicitors LLP. The fees included disbursements and VAT.
- 90 The Respondent did not submit a statement of means.
- 91 Having carefully reviewed and considered the Applicant's cost schedule and the considerations identified in Rule 43(4) of its rules of procedure the Tribunal concluded that the costs of and incidental to this application and enquiry should be fixed in the sum of £14,000.00.
- 92 The Tribunal considered that the Applicant's claim for costs should not be awarded in full in light of the fact that the Applicant's allegation of breach of Principle 5 of the SRA Principles 2019 had been withdrawn from Allegation 1 and the Respondent had fully admitted breach of Principle 2 of the SRA Principles 2019 in relation to Allegation 1.
- 93 Accordingly, the Tribunal ordered the Respondent to pay the Applicant's costs of and incidental to this application fixed in the sum of £ 14,000.00 including disbursements and VAT.

Statement of Full Order

- 94 The Tribunal ORDERED that the Respondent Anis Yusuf Dadu solicitor, be REPRIMANDED and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £14,000.00

Dated this 22nd day of November 2024

On behalf of the Tribunal

L. Boyce

Mrs L Boyce
Chair

JUDGMENT FILED WITH THE LAW SOCIETY
22 NOVEMBER 2024