

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12672-2024

BETWEEN:

JAMES PRUSRAM RAMDHUN

Appellant

and

SOLICITORS REGULATION AUTHORITY LTD

Respondent

Before:

Ms A Kellett (Chair)

Mr U Sheikh

Dr A Richards

Date of Hearing: 28 March 2025

Appearances

The Appellant represented himself.

Louis Weston, barrister, Outer Temple Chambers, 222 Strand, Temple, London WC2R 1BA, instructed by Shaun O' Malley, of the Solicitors Regulation Authority of The Cube, 199 Wharfside Street, Birmingham, B1 1RN, for the Respondent.

**JUDGMENT ON AN APPEAL UNDER S.44E OF THE
SOLICITORS ACT 1974**

Documents

1. The Tribunal reviewed all the documents in the electronic bundle.

Introduction

2. The Appellant appealed under section 44E of the Solicitors Act 1974 (as amended) (“the Act”) against a decision dated 22 July 2024 of an Adjudicator Panel, (“the Adjudicator Panel”), engaged by the Solicitors Regulation Authority (“the Respondent”). The decision of the Adjudicator Panel was made pursuant to powers under section 44D of the Act.

The Allegations

3. Allegation 1.- Between 27 January 2020 and 6 May 2022, he authorised and allowed 16 payments totalling £37,544.54 to be made out of the proceeds of sale of the Property that were subject to an undertaking dated 22 January 2020. In doing so, he breached: Principles 2 and 5 of the SRA Principles 2019 (2019 Principles); Paragraph 1.3 of the SRA Code of Conduct for Solicitors, RELs and RFLs (Code of Conduct for Solicitors); and Paragraphs 9.1(a) and (b) of the SRA Code of Conduct for Firms 2019 (Code of Conduct for Firms).
4. Allegation 2. - On 16 May 2022, he loaned a client of Clapham Law, namely DN, a total of £38,944.84 subject to an interest rate of 8% per annum, via his private company Hypertek (Trust) Holding Limited, in circumstances which gave rise to an own interest conflict or where there was a significant risk of an own interest conflict. In doing so, he breached: Principles 2, 3, 5 and 7 of the 2019 Principles; and Paragraphs 1.2 and 6.1 of the Code of Conduct for Solicitors.

The Adjudication Panel’s Findings

5. Allegation 1 proved in full. The Adjudication Panel found the undertaking had been a valid and binding one. It had been breached by the Appellant.
6. Allegation 2 proved in part. Breaches of Principles 3 and 7 not proved. The Adjudication Panel found this to have been a loan made by the Appellant to DN.

The Adjudicator Panel’s Decision

7. The Adjudication Panel made a decision on 22 July 2024 and directed:
 - The Appellant to pay a financial penalty of £7,946.
 - To publish the financial penalty.
 - To direct the Appellant to pay £1,350 in relation to the SRA’s costs of investigating this matter.

The Appeal

8. The Appeal was a challenge to the findings that the Appellant breached the Code of Conduct and Principles in the ways alleged against him in Allegations 1 and 2.

The Legal Framework

9. The procedure for the hearing of the Appeal is governed by the Solicitors Disciplinary Tribunal (Appeals and Amendment) Rules 2011 which came into force on 1 October 2011.
10. The Tribunal has power under Section 44E to make such order as it thinks fit, and such an order might in particular:
 - (a) affirm the decision of the Society;
 - (b) revoke the decision of the Society;
 - (c) in the case of a penalty imposed under section 44D(2)(b), vary the amount of the penalty;
 - (d) in the case of a solicitor, contain provision for any of the matters mentioned in paragraphs (a) to (d) of section 47(2);
 - (e) in the case of an employee of a solicitor, contain provision for any of the matters mentioned in s.47(2E);
 - (f) make such provision as the Tribunal thinks fit as to payment of costs.
11. The appeal is by way of a review, not a full rehearing. The relevant caselaw is:

[Arslan v SRA \[2016\] EWHC 2862 \(Admin\)](#)

[In the Matter of Sprintroom Limited \[2019\] EWCA Civ 932](#)
12. The key principles of a review-based appeal:
 - Findings of Primary Fact: The Tribunal should not disturb findings of primary fact unless they were “unjustified” (*Arslan* at para.39).
 - Evaluative Decisions: The Tribunal should not overturn evaluations of primary facts unless the conclusion “*lay outside the bounds without which reasonable disagreement is possible*” (*Arslan* at para.40). This requires a high threshold for intervention, focusing on whether the decision was cogent and logically sound.
 - Not a Rehearing: The appeal does not involve considering the case afresh or providing a “*second chance to run the case anew*” (*Sprintroom Limited* at para.78). The focus is on the propriety of the original decision-making process and its conclusions based on the evidence presented.

- Grounds for Success: An appeal by review may succeed if there is a “*serious procedural irregularity or error of law*” (Arslan para.38).

The Burden and Standard of Proof

13. The burden of proving that the Adjudicator’s decision was wrong or that the decision was unjust because of a serious procedural or other irregularity in the proceedings lay with the Appellant.
14. The standard to which he was required to prove that the decision was unjust was the civil standard, namely that on a balance of probabilities it was more likely than not that the Adjudicator’s decision was unjust.

Factual Background

15. The case arose from the distribution of the proceeds of the sale of a property in Gosling Way, London (the Property), where Clapham Law LLP (the Firm) acted for DN, and Francis Solicitors Limited acted for DN’s ex-wife.
16. At the relevant times, the Appellant was the Compliance Officer for Legal Practice (COLP) at the Firm. The Firm was acting for DN with Mr Godwin Ehujor, a solicitor, having day-to-day conduct of the matter and the Appellant was the supervising partner.
17. As to Allegation 1 this came from an undertaking being given in the following terms by a letter dated 22 January 2020, sent on the letterhead of the Firm in the name of the Firm (the Undertaking):

“We, Clapham Law LLP give you Francis Solicitors Limited an undertaking to hold the net proceeds of the sale in our firm’s clients’ accounts after deducting all reasonably incurred expenses and disbursements until the parties have agreed on their respective shares in the net proceeds of the sale failing which to refer the matter to Court or arbitration for settlement.”

18. It was not in dispute on the Appeal that monies were transferred from the Firm’s client account and paid to the Firm’s client, DN, and also to meet his expenses in seeking a Court order as to the division of the proceeds. The dates and sums transferred are not in dispute and, between 27 January 2020 and 6 May 2022, a total of £37,544.54 was transferred in 16 payments.
19. Further, the sums transferred from the Firm were revealed following a hearing before the Court on 13 May 2022 leading to the Order of 19 May 2022.
20. As to Allegation 2, this arose from the transfer on 16 May 2022 of £38,944.84 from a company that the Appellant owned, Hypertek (Trust) Holding Limited (Hypertek), to the Firm and such funds also including a loan to DN which required repayment of capital and interest at 8% per annum. That sum was used and intended to repay the sums (amounting to £37,544.84) advanced to DN from the Firm’s client account.

21. The Appellant argued before the Adjudication Panel that the undertaking was invalid due to the lack of a specified monetary amount, expiration date, and a partner's signature, asserting it only lasted a limited time.
22. As to the loan the Appellant told the Adjudication Panel he had been acting in a private capacity regarding the loan. He had been placed in an unprecedented position by the delay in distributing the proceeds of sale and DN had been desperate and had begged him for help. He presented statements from DN expressing gratitude and stating that the Appellant had not been concerned with interest or reward, finding the suggestion of needing independent legal advice "*insulting and lacking in common sense*".
23. Before the Panel, the Appellant questioned why DN's perspective on his solicitor's integrity and public trust should not be treated by it as a relevant consideration. He also contended the SRA had not explained how he lacked integrity when Mr Ehujor used client money for the client's purposes without causing loss.
24. The SRA argued that acting with independence (Principle 3) requires avoiding conflicts of interest and not taking unfair advantage of a client. The investigation officer stated that the Appellant, as an experienced solicitor and COLP, should have known the importance of remaining independent and maintaining the profession's reputation. Loaning money to a client from a company he had a financial interest in was seen as compromising his independence and preventing him from acting in DN's best interests and this conduct created a significant risk of an own interest conflict, and the Appellant should have ceased acting for the client in the circumstances.
25. The SRA considered that the Appellant's conduct in loaning money when DN was financially vulnerable and without independent advice, taking advantage of his situation for his company's benefit, demonstrated a lack of integrity (Principle 5). Further, his failure to ensure his independence was not compromised by acting despite the own interest conflict also represented a lack of integrity.

The Appellant's Grounds

26. Allegation 1: Breach of an undertaking
 - 26.1 The SRA failed to consider properly or at all the purpose and intention of the undertaking and the underlying circumstances.
 - 26.2 The undertaking lacked all the necessary terms and conditions to make it binding.
 - 26.3 The undertaking could not have been valid in all the circumstances, effective or valid.
 - 26.4 The undertaking was given regardless of its defect to carry out a conveyancing matter and the funds to be duly distributed to the parties as was agreed within a short period of time.
27. Allegation 2 : The Appellant's loan giving rise to a conflict of interest and causing a significant risk of conflict of interest.

- 27.1 The SRA allegedly failed to properly consider the reasons why the client, DN, travelled to the UK and the circumstances surrounding a loan he received. DN came to the UK for a short period and understood that his share of the sale proceeds would be paid out quickly after the sale's completion. The SRA is criticised for not properly considering the plight of DN, who travelled to the UK solely for the purpose of the sale.
- 27.2 Francis Solicitors Ltd, the wife's solicitors, apparently changed their mind about the 50% share of the sale proceeds that was initially agreed to be paid to DN. Francis Solicitors caused a delay in payment by refusing to provide their client's account details, seemingly to prevent payment to anyone not part of the initial agreement. The SRA did not adequately consider the impact of the delay in paying DN his own money soon after the sale.
- 27.3 It was suggested that Francis Solicitors, if acting in good faith, should have accepted DN's payment and advised their client to pursue legal action if necessary. The SRA purportedly failed to consider the distress and worry caused to DN when he realised the undertaking had been breached and his money was tied up.
- 27.4 At least 25% to 50% of the sale proceeds was DN's money and was considered available for his use. Francis Solicitors were allegedly aware that part of DN's share of the sale proceeds was intended for court proceedings yet remained silent on this.
- 27.5 Francis Solicitors did not mention the undertaking (if one existed, as decided by the SRA) when informed about DN's court costs.
- 27.6 The Appellant felt he had no other choice but to act in the best interests of his client, DN. DN being the victim, was considered to be in the best position as a member of the public to judge whether he was wronged or his solicitors acted inappropriately. The SRA failed to properly consider the explanation and circumstances that led DN into his predicament and the undertaking.
- 27.7 DN reportedly explained the situation clearly to the SRA in his letter and witness statement, outlining what led to the undertaking and problems. DN also spoke to the SRA, stating that he did not need an independent lawyer in his situation. The SRA failed to consider that the financial help given to DN was not a loan.
- 27.8 The money provided by the Appellant is described as help for a desperate client, with no formal loan agreement beyond a simple note. The initial repayment by DN was for the same amount that was given to him.
- 27.9 It was only after a few days that DN insisted on paying an additional sum as interest and a gift to the Appellant's company. The Appellant did not initially ask for interest, and DN insisted on making the additional payment as a sign of appreciation. DN was acting of his own free will and the Appellant did his best to help DN at his own peril and risk.
- 27.10 The SRA allegedly did not explain how the Appellant acted against DN's best interests.
- 27.11 The SRA failed to properly consider the effect of certain words, which were misinterpreted. For example, the statement that "*Mr Ramdhun is an owner ...of the*

firm” was wrongly interpreted by the SRA as meaning the Appellant owned both the firm and the company that provided the financial assistance.

- 27.12 The SRA was informed that the money was held because the Appellant did not consider the undertaking valid with respect to DN’s funds.
- 27.13 It was stated that DN’s wife’s financial position was never at risk.
- 27.14 The SRA failed to properly consider its Code of Conduct, specifically regarding Paragraph 1.3, which states that where no timescale is given, a reasonable amount of time should be agreed.
- 27.15 The SRA did not adequately explain how a reasonable person, fully aware of the facts, could conclude that the Appellant breached the undertaking or gained any advantage by helping DN.
- 27.16 The SRA must assess the circumstances properly, both subjectively and objectively, before reaching a decision, including consideration of harm or loss to the client and public trust. The Adjudication panel was not impartial and not independent of the SRA.

Respondent’s Submissions in Opposition

28. It was submitted that the Appellant’s Grounds did not, in fact, reveal any error of law or fact or purport to demonstrate why the Decision was wrong in respect of either of the Allegations that the Appellant faced.
29. The SRA argued that the Tribunal should review, not rehear, the original decision and should only overturn findings of fact if unjustified or evaluations if outside reasonable disagreement. Ultimately, the SRA submitted that the appeal should be dismissed.
30. Mr Weston outlined three key issues raised by the appeal:
- Effectiveness of the Undertaking: The Appellant contended that the Adjudication Panel wrongly found that the undertaking in question was effective.
 - Existence of a Loan: The Appellant argued that the Adjudication Panel wrongly concluded that he had made a loan.
 - Impartiality of the Adjudication Panel: The Appellant asserted that the Adjudication Panel that reached the decision was the same party as the SRA, suggesting a lack of independence.
31. The undertaking: The Adjudication Panel’s decision on the effectiveness of the undertaking was plainly correct. This submission rested on the definition of an undertaking and the factual context. The regulatory definition of an undertaking is:

“a statement, given orally or in writing, whether or not it includes the word ‘undertake’ or ‘undertaking’, to someone who reasonably places reliance on it, that you or a third party will do something or cause something to be done, or refrain from doing something.”

32. In its application to the facts of the present matter Mr Weston said that the undertaking in question was on Clapham Law LLP letterhead, expressed to be on behalf of the firm, and signed as such. It was asserted that when interpreting an undertaking, the focus should be on the clear words written rather than the subjective intentions of the parties as this was an irrelevant consideration.
33. As to the breach of the undertaking Mr Weston stated that there was no dispute that monies representing the proceeds of sale were paid out from the Firm's client account. Regardless of the reasons or intentions behind these payments, the payments constituted a breach of the undertaking.
34. As to the existence of a valid undertaking Mr Weston referred to HHJ Baucher's decision of 13 May 2022 where the court found that there was an undertaking and requested an explanation for its breach.
35. Mr Weston referred to correspondence where Francis Solicitors Limited raised queries about the completion statement and the sharing of proceeds, explicitly stating they had no instructions to receive any proceeds until the situation was clarified. He argued that this showed no release from the undertaking or agreement to the payments being made.
36. Mr Weston concluded that the opposing solicitor's silence on the issue of spending money did not constitute agreement to do so.

Existence of a Loan

37. Mr Weston contended that the Appellant's argument that the payments made to the client by his company were not a loan was unarguable and pointed to the fact that the Appellant himself described these payments as a loan, indicating a clear admission. The Adjudication Panel's decision on this issue was therefore plainly correct. As to evidence substantiating it was a loan Mr. Weston presented several pieces of evidence indicating the transaction was treated as a loan with interest:
 - DN's note stated he promised to pay back "*the money that I borrowed*" with 8% interest.
 - The Appellant's email to SRA on 22 August 2023 in which he had referred to "*the client [being] loaned the capital sum*" and discussed the 8% interest. He also mentioned the loan was repaid with interest to Hypertek Limited, a company where he was a director.
 - DN's Witness Statement in which he referred to the Respondent "*lending me money.*"

Impartiality of the Adjudication Panel

38. It was refuted that the Appellant's assertion that the Adjudication Panel was the same entity as the SRA, thereby lacking independence and impartiality.

39. Mr Weston emphasised the structural independence between the SRA's operational teams and the division of responsibilities and the mechanisms in place to ensure impartiality as follows:
- Separation of Functions: The SRA highlights the existence of a separation between its operational teams (responsible for investigation and bringing proceedings) and its adjudicators (responsible for decision-making).
 - Chief Adjudicator's Control: Adjudicators operate under the control of the Chief Adjudicator, ensuring their independence from the operational team directing the response to the appeal.
 - Published Information: Its decisions on adjudication are published on its website.
40. Mr Weston submitted that the Appellant's appeal should be dismissed and argued that the Adjudication Panel's decision was correct on the substantive issues of the undertaking and the loan, and that the Appellant's challenge to the impartiality of the panel is unfounded due to the established independent structure of the SRA's adjudication process.

The Tribunal's Decision on the Appeal

41. In reaching its decision the Tribunal applied the approach endorsed by the High Court in Arslan as the correct approach to an appeal under section 44E Solicitors Act 1974. It considered with care all the material submitted by the parties and it had regard to the oral submissions each side had made.
42. The appeal had proceeded by way of a review, not a rehearing, based on evidence before the Adjudication Panel, and not any new or fresh evidence. It was for the Appellant to demonstrate that the decision by the Adjudication Panel had been wrong or unjust because of a serious procedural or other irregularity in the proceedings.
43. The Tribunal found that the Appellant had not discharged the burden placed upon him. He had not demonstrated any basis for disturbing the original decision under the applicable legal principles and he had not presented the Tribunal with any cogent reasons to satisfy the test set out above.
44. The appeal was dismissed as having no merit.

Costs

45. Mr Weston made an application for costs on behalf of the Respondent in the sum of £16,555.00. He argued that this sum was proportionate due to the significant amount of paperwork and the range of arguments raised in the case, which the Respondent had had to address carefully.
46. He asserted that there was absolutely no merit in the appeal, and it was right for the Respondent to recover its costs in full as the Respondent had been put to the expense of responding to it.

47. Mr Weston also drew the Tribunal's attention to the Appellant's own schedule of costs totalling £13,500.00, based on a rate of £250 per hour. Mr. Weston highlighted that there was a broad consensus as to the area of costs and he noted that their figures were "not a million miles apart".
48. The Appellant considered that because the Respondent had "all the bundles and everything was explained", the costs for the Respondent's counsel should have been lower. However, he concluded by saying it was a matter for the Tribunal to decide what was right as the Tribunal was experienced in such matters.

The Tribunal's Decision on Costs

49. The Respondent had not brought the appeal, and it had been required to respond. Due to the nature in which the Appellant had presented his case both in writing and orally, there had been a large body of papers and an extensive range of arguments. The Respondent had had to go through this material with care to assist the Tribunal by condensing them in its response and in its arguments.
50. In all the circumstances the Tribunal found the Respondent's costs to be reasonable and proportionate. The Tribunal had found no merit in the Appellant's case, and it was right, for the reasons set out above, that the Respondent should recover its costs in full.

Statement of Full Order

51. The Tribunal ORDERED that the appeal made under S.44E of the Solicitors Act 1974 ("the Act") by JAMES PRUSRAM RAMDHUN be DISMISSED and it AFFIRMED the Society's order made under Section 44D of the said Act. It further Ordered that he do pay the costs of and incidental to this appeal fixed in the sum of £16,555.00.

Dated this 14th day of April 2025
On behalf of the Tribunal

A. Kellett

A. Kellett
Chair