SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12720-2025

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD. Applicant

and

TOLHURST FISHER LLP Respondent

Before:

Mr G Sydenham (in the chair)
Ms B Patel
Mr A Pygram

Date of Hearing: 17 April 2025

Appearances

There were no appearances as the matter was dealt with on the papers.

JUDGMENT ON AN AGREED OUTCOME

Allegations

1. The allegations against the Respondent, Tolhurst Fisher LLP ("the Firm"), made by the SRA were that:

1.1. From 26 June 2017 to 25 November 2019, it failed to conduct or have in place a firm wide risk assessment ("FWRA"), and thereby failed to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business was subject as required by Regulation 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information of the Payer) Regulations 2017 ("MLRs") and thereby acted in breach of any or all of Principles 6, 7 and 8 of the SRA Principles 2011 ("the Principles 2011") and failed to achieve any or all of Outcomes 7.2 and 7.5 of the SRA Code of Conduct 2011 ("the SCC 2011").

1.2. From 26 November 2019 to 23 January 2024, it failed to conduct or have in place an appropriate FWRA which complied with the requirements of Regulation 18 of the MLRs to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business was subject and thereby acted in breach of any or all of Principle 2 of the SRA Principles ("the Principles") and paragraphs 2.1(a) and 3.1 of the SRA Code of Conduct for Firms ("the Code for Firms").

1.3. Between 15 December 2007 and December 2012, it failed to establish appropriate and risk-sensitive Policies & Procedures (P&Ps) relating to customer due diligence measures and ongoing monitoring, reporting, recordkeeping, internal control, risk assessment and management, the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities related to money laundering and terrorist financing, pursuant to Regulation 20(1) of The Money Laundering Regulations 2007 ("MLRs 2007"), and accordingly:

Insofar as such conduct took place prior to 6 October 2011, acted in breach of Rules 1.06 and/or 5.01(b) of the Solicitors Code of Conduct 2007 ("the SCC 2007"), and

Insofar as such conduct took place on or after 6 October 2011,acted in breach of any or all of Principles 6, 7 and 8 of the Principles 2011 and failed to achieve Outcomes 7.2 and 7.5 of the SCC 2011.

1.4. The Firm failed:

1.4.1. between December 2012 and 25 June 2017, to maintain appropriate and risk-sensitive Policies & Procedures (P&Ps) relating to customer due diligence measures and ongoing monitoring, reporting, record-keeping, internal control, risk assessment and management, the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities related to money laundering and terrorist financing, pursuant to Regulation 20(1) of the MLRs 2007; and

1.4.2. between 26 June 2017 to 29 January 2024 to:

i. have Policies, Controls and Procedures ("PCPs") in place which complied with the requirements of Regulation 19(1)(a) of the MLRs, and

ii. regularly review and update its PCPs in compliance with Regulation 19(1)(b) of the MLRs, and

iii. monitor and manage compliance with its PCPs in compliance with Regulation 19(3)(e) of the MLRs and thereby:

Insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, acted in breach of any or all of Principles 6, 7 and 8 of the Principles 2011 and failed to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 2011;

Insofar as such conduct took place on or after 25 November 2019 acted in breach of any or all of Principle 2 of the Principles and paragraphs 2.1(a) and 3.1 of the Code for Firms.

1.5. From 26 June 2017 to 25 January 2024, it failed to conduct client and matter risk assessments ("CMRAs") in compliance with the requirements of Regulations 28(12)(a)(ii) and 28(13) of the MLRs, and could not demonstrate appropriate compliance as required by Regulation 28(16) of the MLRs, and thereby:

Insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, acted in breach of any or all of Principles 6, 7 and 8 of the Principles 2011 and failed to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 2011; and;

Insofar as such conduct took place on or after 25 November 2019, acted in breach of any or all of Principle 2 of the Principles and any or all of paragraphs 2.1(a) and 3.1 of the Code for Firms.

1.6. In respect of files KEE73-1 and RAD44, between March 2022 and January 2023 and between December 2022 and June 2023 respectively, the Firm failed to:

1.6.1. conduct any or any adequate source of funds inquiries contrary to Regulation 28(11 to 13) of the MLRs;

1.6.2. or to document the same contrary to Regulation 28(16) of the MLRs; and thereby acted in breach of Principle 2 of the Principles and paragraphs 2.1(a) and 3.1 of the Code for Firms.

Documents

2. The Tribunal had before all of the documents contained in the electronic bundle which included the following:

- The Rule 12 Statement.
- The Statement of Agreed Facts and Outcome.

Background

3. A desk-based review was conducted by the SRA's Anti-Money Laundering ("AML") team after the Firm had provided the SRA with a completed Anti Money Laundering Questionnaire ('The Questionnaire') which was dated 12 October 2023.

4. The Firm cooperated with the review and provided a number of its AML documents and making a number of admissions in respect of its failings regarding MLRs

5. As a result of the information given within the Questionnaire, and additional correspondence, concerns were also raised in respect of the Firm's Policies & Procedure (P&Ps), which were governed by the Money Laundering Regulations 2007 ('MLRs 2007').

6. A review of the AML documents provided by the Firm, along with the eight client files, revealed that none of the files contained a documented client and matter risk assessment. Additionally, there was no evidence that a source of funds check had been conducted for any of the reviewed files.

7. The period under consideration was from 26 June 2017 when the MLRs came into effect until the date when the Firm rectified the breach identified in each allegation.

8. On 14 November 2023, an outcome letter for the review was sent to the Firm by the SRA. This letter included detailed Guidance in respect of the Firm's failures to comply with the MLRs and noted that the Firm's conduct was being referred to the SRA's AML investigation team.

9. After further consideration of the issues and relevant documents, a notice recommending referral of the Firm's conduct to the Tribunal was sent to the Firm by the SRA's investigation team on 22 May 2024.

Application for the matter to be resolved by way of Agreed Outcome

10. The parties invited the Tribunal to deal with the Allegations against the Respondent in accordance with the Statement of Agreed Facts and Outcome annexed to this Judgment. The parties submitted that the outcome proposed was consistent with the Tribunal's Guidance Note on Sanctions.

Findings of Fact and Law

11. 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 rights 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.

12. The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made.

Sanction

13. The Tribunal considered the Guidance Note on Sanction (11th Edition February 2025) In doing so the Tribunal assessed the culpability and harm identified together with the aggravating and mitigating factors that existed.

14. The Tribunal considered the Guidance Note on Sanction (11th Edition February 2025). and the proper approach to sanctions as set out in *Fuglers and others v SRA* [2014] EWHC 179. The Tribunal's overriding objective when considering sanction, was the need to maintain public confidence in the integrity of the profession.

15. When determining the appropriate sanction, the Tribunal's role was to assess the severity of the proven misconduct and impose a fair and proportionate penalty in light of all relevant circumstances. In assessing the seriousness of the misconduct, the Tribunal considered the Respondent's level of culpability and the harm caused, along with any aggravating and mitigating factors.

16. In assessing culpability, the Tribunal took account of the fact that The Respondent had direct responsibility for the circumstances giving rise to the misconduct. The Respondent had a duty to comply with the MLRs 2017.

17. The Tribunal accepted that there had been no evidence that any actual harm had been caused by any of the Respondent's admitted failures, however the Tribunal noted the Respondent's failure to comply with the MLRs 2017 over a lengthy period of time within the areas of conveyancing, which is a higher risk sector of the MLR. The Respondent therefore risked causing harm to the reputation of the legal profession.

18. The aggravating features of the Respondent's misconduct was the length of time for which the breaches had continued. A well-established firm of its size and level of resources ought reasonably to have known that the misconduct was in material breach of its obligations to protect the public and the reputation of the legal profession.

19. The Tribunal gave due regard to mitigating factors, including the Respondent's full cooperation with the investigation and admission of misconduct, which eliminated the need for a contested hearing. Additionally, the Tribunal noted that the Respondent had taken active steps to remedy the admitted breaches. Lastly, the Tribunal acknowledged the Respondent's previously unblemished regulatory record.

20. The Tribunal determined that a fine was the appropriate sanction. In assessing its level, the Tribunal considered the seriousness of the misconduct, as well as the Firm's size, financial resources, and revenue.

21. The Tribunal concluded that a fine of £120,000.00 was proportionate in the circumstances.

Costs

22. The Tribunal noted that under Rule 43 (1) of The Solicitors (Disciplinary Proceedings) Rules 2019 it has the power to make such order as to costs as it thinks fit, including the payment by any party of costs or a contribution towards costs of such amount (if any)

as the Tribunal may consider reasonable. Such costs are those arising from or ancillary to proceedings before the Tribunal.

23. The Applicant and the Respondent agreed costs in the sum of £25,290.00.

24. The Tribunal determined that the agreed costs were reasonable and proportionate. Consequently, it ordered the Respondent to pay costs in the sum of £25,290.00.

Statement of Full Order

25. The Tribunal ORDERED that the Respondent, solicitors, do pay a fine of £120,000.00, such penalty to be forfeit to His Majesty the King, and it further Ordered that they do pay the costs of and incidental to this application and enquiry fixed in the sum of £25,290.00

Dated this 29th day of April 2025
On behalf of the Tribunal

G. Sydenham

G. Sydenham
Chair

CASE NO: 12720-2025

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 (as amended)

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applica

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TOLHURST FISHER LLP (a Recognised Body)

Respondent

STATEMENT OF AGREED FACTS AND PROPOSED OUTCOME

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1 . By its application dated 3 January 2025, and the statement made pursuant to Rule 12(2) of the Solicitors (Disciplinary Proceedings) Rules 2019 which accompanied that application, the Solicitors Regulation Authority Limited ("the SRA") brought proceedings before the Solicitors Disciplinary Tribunal, making six allegations of misconduct against Tolhurst Fisher LLP ("the Respondent" or "the Firm").

The Allegations

2. The allegations against the Respondent, made by the SRA within that statement, are that:

Allegation 1

From 26 June 2017 to 25 November 2019, the Respondent failed to conduct or have in place a firm wide risk assessment ("FWRA"), and thereby failed to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business was subject as required by Regulation 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (information of the Payer) Regulations 2017 ("MLRs")

In doing so, it was alleged that the Respondent has breached any or all of Principles 6, 7 and 8 of the SRA Principles 2011 ('the Principles 2011") and failed to achieve any or all of Outcomes 7.2 and 7.5 of the SRA Code of Conduct 2011 ("the SCC 2011").

Allegation 2

From 26 November 2019 to 23 January 2024, the Respondent failed to conduct or have in place an appropriate FWRA which complied with the requirements of Regulation 18 of the MLRs to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business was subject,

In doing so, it was alleged that the Respondent has breached any or all of Principle 2 of the SRA Principles ("the Principles") and paragraphs 2.1 (a) and 3.1 of the SRA Code of Conduct for Firms ("the Code for Firms").

Allegation 3

Between 15 December 2007 and December 2012, the Respondent failed to establish appropriate and risk-sensitive policies and procedures (P&Ps) relating to customer due diligence measures and ongoing monitoring, reporting, record-keeping, internal control, risk assessment and management, the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities related to money laundering and terrorist financing, pursuant to Regulation 20(1) of the Money Laundering Regulations 2007 ("MLRs 2007").

In doing so, it was alleged that the Respondent has:

a) Insofar as such conduct took place prior to 6 October 2011, acted in breach of Rules 1.06 and/or 5.01 (b) of the Solicitors Code of Conduct 2007 ("the SCC 2007"), and

b) Insofar as such conduct took place on or after 6 October 2011, acted in breach of any or all of Principles 6, 7 and 8 of the Principles 2011 and failed to achieve Outcomes 7.2 and 7.5 of the SCC 2011.

Allegation 4

The Respondent failed:

a) between December 2012 and 25 June 2017, to maintain appropriate and risk sensitive P&Ps relating to customer due diligence measures and ongoing monitoring, reporting, record-keeping, internet control, risk assessment and management, the monitoring and management of compliance with, and the internal communication of, such policies and procedures, in order to prevent activities related to money laundering and terrorist financing, pursuant to Regulation 20(1) of the MLRs 2007; and

b) between 26 June 2017 and 29 January 2024 to:

i. have Policies, Controls and Procedures ("PCPs") in place which complied with the requirements of Regulation 19(1 of the MLRs, and ii. regularly review and update its PCPs in compliance with Regulation 19(1 of the MLRs, and iii. monitor and manage compliance with its PCPs in compliance with Regulation 19(3)(e) of the MLRs.

In doing so, it was alleged that the Respondent has:

a) Insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, acted in breach of any or all of Principles 6, 7 and 8 of the Principles 2011 and failed to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 201 1; and

b) Insofar as such conduct took place on or after 25 November 2019 acted in breach of any or all of Principle 2 of the Principles and paragraphs 2.1 (a) and 3.1 of the Code for Firms.

Allegation 5

From 26 June 2017 to 25 January 2024, the Respondent failed to conduct client and matter risk assessments ("CMRAs") in compliance with the requirements of Regulations 28(1 2)(a)(ii) and 28(13) of the MLRs, and could not demonstrate appropriate compliance as required by Regulation 28(16) of the MLRs.

In doing so, it was alleged that the Respondent has:

a) Insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, acted in breach of any or all of Principles 6, 7 and 8 of the Principles 2011 and failed to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 2011; and

b) Insofar as such conduct took place on or after 25 November 2019, acted in breach of any or all of Principle 2 of the Principles and any or all of paragraphs 2.1 (a) and 3.1 of the Code for Firms.

Allegation 6

In respect of files KEE73-1 and RAD44, between March 2022 and January 2023 and between December 2022 and June 2023 respectively, the Respondent failed to:

i. conduct any or any adequate source of funds inquiries contrary to Regulation 28(11 to 13) of the MLRs•, or ii. document the same contrary to Regulation 28(16) of the MLRs.

In doing so, it was alleged that the Respondent has breached Principle 2 of the Principles and paragraphs 2.1 (a) and 3.1 of the Code for Firms.

3. The Respondent admits the facts and breaches to each of the six allegations.

Agreed Facts

4. The following facts and matters, which are relied upon by the SRA in support of the allegations set out within paragraph 2 of this statement, are agreed between the SRA and the Respondent.

5. The Respondent is a long-established firm, previously practising as a traditional partnership before incorporating in the current LLP trading style in March 2007. The MLRs 2007 and MLRs applied to the Respondent at all relevant times, with at least 70 per cent of the work undertaken by the Respondent falling within scope of the MLRs 2007 and MLRs. The majority of that work relating to conveyancing, which the Legal Sector Affinity Group AML guidance notes as being identified by law enforcement authorities and the national risk assessment as a sector that can involve higher risks, as a common method for conversion of criminal proceeds.

Allegations 1 and 2

6. Regulation 18(1) of the MLRs requires in-scope firms to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business is subject. This is referred to in the legislation as a risk assessment, and referred to in this statement as the FWRA.

7. The Respondent did not have any FWRA in place from 26 June 2017 until 25 November 2019. From 26 November 2019 to 23 January 2024, taking into account the size and nature of the Firm's business, the FWRA that the Respondent did have in place was not appropriate for the MLRs.

8. in particular, the FWRA was deficient in respect of information contained in the document regarding the geographic risks posed, the products and services provided by the Firm, and by lacking detail in respect of the Firm's client base.

9. The Respondent accepts that it had no FWRA document in place at all from the MLRs coming into effect on 26 June 2017 until 25 November 2019 and that the document in place thereafter was not adequate to satisfy the MLRs until 23 January 2024.

10. By the Firm's conduct, the Respondent admits breaches of Principles 6t 7 and 8 of the Principles 2011, Principle 2 of the Principles, failed to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 2011, and paragraphs 2.1 (a) and 3.1 of the Code for Firms.

Allegation 3

1 1 . The Firm has provided services in the scope of the MLRs 2007, since they came into force on 15 December 2007.

12. Regulation 20 MLRs 2007 required the Firm to have adequate P&Ps in place to manage risk factors.

13. Prior to December 2012, the Firm has been unable to confirm it had any P&Ps in place, as required by Regulation 20 MLRs 2007. With subsequent P&Ps also admitted to not be adequate, the Firm admits the failure to establish any appropriate and risk sensitive P&Ps as required, between 15 December 2007 and December 2012.

14. As a result of that failure for approximately five years, the Respondent admits breaches of Rules 1.06 and/or 5.01 (b) of the SCC 2007 prior to 6 October 2011, and thereafter Principles 6, 7 and 8 of the Principles 2011 and that it failed to achieve Outcomes 12 and 7.5 of the SCC 2011.

Allegation 4

15. The Firm has provided services in the scope of the MLRs 2007, since they came into force on 15 December 2007, and in scope of the MLRs since they came into force on 26 June 2017.

16. The Firm's P&Ps in place from December 2012 to 25 June 2017 were not adequate to comply with Regulation 20(2)(a) MLRs 2007. There should have been, but there was not, reference to complex or unusually large transactions, unusual patterns of transactions which have no apparent economic or visible lawful purpose, and to other activity which the Firm (as the relevant person under the MLRs) regarded as particularly likely by its nature to be related to money laundering or terrorist financing.

17. Regulation 19 MLRs 2017 places similar, but more stringent, requirements on the Firm as Regulation 20 MLRs 2007 imposed, including by reference to various other provisions of the MLRs 2017 under Regulation 19(3).

18. Regulation 19 MLRs required the Firm to have adequate PCPs. There was no such adequate PCPs in place from the MLRs coming into effect on 26 June 2017t until 29 January 2024, with the documentation in place being deficient by not including any, or sufficient, information in respect of:

    i. The measures the firm applied for politically exposed persons.
    ii. The provisions to identify and scrutinise complex transactions.
    iii. The provisions to identify and scrutinise unusually large or unusual patterns of transactions.
    iv. The provisions to identify and scrutinise transactions that have no apparent economic or legal purpose.
    v. On-going monitoring, and how the firm was to ensure client due diligence was maintained and up to date.
    vi. When it was to be necessary to apply enhanced due diligence.
    vii. The firm's position in relation to placing reliance on third parties, under Regulation 39 MLRs.
    viii. The firm's approach to risk assessing clients and matters.
    ix. How the firm identified high risk jurisdictions and the measure to be taken in relation to such jurisdictions.

x. How to report discrepancies in information to Companies House, if required to do so.

19. In addition, the PCP document that was in place for a period of time, had not been reviewed nor updated appropriately. In that time, guidance to the legal profession had been issued by both the SRA, and the Legal Sector Affinity Group.

20. As a result of the Firm's conduct, it admits breaches of Principles 6, 7 and 8 of the Principles 2011 and failing to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 2011 and, on or after 25 November 2019, Principle 2 of the Principles and paragraphs 2.1 (a) and 3.1 of the Code for Firms.

Allegation 5

21. For the purposes of Regulation 27(1)(a) MLRs, the Firm was a 'relevant person' and was required to apply customer due diligence, in the manner set out in Regulations 28(12) and 28(13) MLRs.

22. The Firm did not, however, have in place any, or adequate, CMRAs to satisfy the requirements of Regulation 28(12). Consequently, the Firm could not demonstrate a further requirement under Regulation 28(16), that being to be able to demonstrate its compliance with the relevant regulation.

23. As a result of the Firm's conduct, it admits breaches of Principles 6, 7 and 8 of the Principles 2011 and failing to achieve any or all of Outcomes 7.2 and 7.5 of the SCC 2011 and, on or after 25 November 2019, Principle 2 of the Principles and paragraphs 2.1 (a) and 3.1 of the Code for Firms.

Allegation 6

24. In respect of two client matters reviewed by the SRA, between March 2022 and January 2023 and December 2022 and June 2023 respectively, the Firm did not undertake any, or adequate, source of funds inquiries, nor did it document the same.

25. File KEE-73 involved a E270,000 property purchase which was entirely funded by monies transferred by the client, with no, or no adequate source of funds inquiries made by the Firm.

26. File RAD44-1 involved the purchase of a business which was said to be funded through a combination of client savings, a personal loan from family members and an investment loan from a third-party company. The Firm failed to carry out any or any adequate source of funds inquiries.

27. Absent credible explanations, the Firm was in no position to determine whether enhanced due diligence was required, and if so in what form, nor to conclude that it had taken all indicated steps to ensure it did not assist in the facilitation of money laundering.

28. As a result of the above, the Firm failed to comply with Regulation 28(11 to 13) and Regulation 28(16) MLRs.

29. Due to this failure, the Firm admits that it breached Principle 2 of the Principles, and paragraphs 2.1 (a) and 3.1. of the Code for Firms.

Proposed Sanction

30. The parties invite the Tribunal to determine that an appropriate sanction is a fine of £120,000. Neither the protection of the public nor the reputation of the legal profession requires a more serious sanction against the Respondent.

Explanation as to why such an order would be appropriate, and in accordance with the Tribunal's sanctions guidance

31. The proposed sanction is consistent with the principles set out in the Tribunal's Guidance Notice on Sanctions (1 I th edition), taking into account the guidance set out in Fuglers & Ors v Solicitors Regulation Authority [20141 EWHC 179 (Popplewell J) and as set out in the Tribunal's Guidance Note on Sanctions at paragraphs 8 and the table at page 16 and, on the part of the SRA, has regard to the SRA's own guidance.

32. The sanction is considered to be proportionate taking into consideration all relevant factors, including (a) the seriousness of the misconduct; and (b) the size and financial resources of the firm including revenue generated by the firm (SRA v Clyde & Co; Edward Henry Mills-Webb [12481-20231.

33. The misconduct giving rise to the allegations falls into the category of 'very serious or Level 4 of the Tribunal's fine bands.

34. This assessment takes into account the following factors:

a) The Respondent's conduct cannot be described as singular or fleeting, in fact spanning a time-period of over 15 years, and two sets of Money Laundering Regulations that imposed statutory requirements on firms of solicitors. During this time-period, and in addition to legislation, guidance and/or warnings had been issued to the profession. Despite these warnings, the misconduct complained of continued and included periods when the Firm had no, as opposed to no adequate, appropriate safeguards in place as required by the regulations. 15 years is a long period of time for money laundering protections to not be compliant and adequate.

b) The Respondent had direct control over the relevant matters and was at all relevant times a well-established firm, undertaking significant amounts of work that fell within a potentially higher risk sector within scope of the Money Laundering Regulations, i.e. conveyancing. Even if the misconduct was not planned or deliberate, the Respondent's level of culpability was high.

c) In relation to harm, whilst there is no evidence that any harm came to clients because of the conduct, the issues did manifest themselves as evidenced in the exemplified transactions in the final allegation. Although there was no evidence of money laundering having taken place, a lack of such evidence is not conclusive in a situation where allegations relate to inadequate checks and procedures, and the possibility cannot be discounted in such circumstances. The Respondent's failures over a lengthy period of time risked causing harm to the reputation of the legal profession.

35. The risks arising from the breaches were foreseeable, with guidance and/or legislation in place in relation to the issues. The prevention of money laundering risks is a priority concern, with the National Crime Agency having highlighted the important role that the profession has in preventing money laundering. Compliance with the anti-money laundering regulations is required, both in respect of meeting legal and regulatory obligations and for the wider societal issue of such compliance being a key method of potentially disrupting serious crime.

36. The principal factors which aggravate the seriousness of the misconduct are that

i. The misconduct continued over a lengthy period of time, involving multiple failures to comply with fundamental statutory requirements being repeated and involving management and staff across the firm.

ii. The Respondent knew, or ought reasonably to have known, that the misconduct was in material breach of its obligations that were in place to protect the public and the reputation of the legal profession.

37. The mitigating features are:

i. Following direct contact by the SRA, the Respondent promptly cooperated, improved and corrected relevant policies and procedures and indicated current insight into the concerns raised.

ii. The Respondent has made full and frank admissions at an early stage, such that a substantive hearing has been avoided.

38. Notwithstanding the mitigating factors at paragraph 37 above, the various breaches occurring over a long period of time are very serious and lesser sanctions such as a Restriction Order or a Reprimand would not be adequate or suitable.

39. Taking into account all relevant factors, including the seriousness of the misconduct and the financial resources of the Respondent, the proposed sanction is an appropriate, meaningful and proportionate sanction that, in accordance with Fuglers and Others v SRA (see above), suitably promotes the maintenance of important standards in, and the standing of, the profession.

40. Accordingly, the parties agree that the appropriate outcome in this case is for the Respondent to receive a fine of £120,000.

Costs

41. With respect to costs, it is further agreed that the Respondent should pay the SRA's costs of this matter agreed in the sum of £25,290 (inclusive of VAT). The Applicant is satisfied that this is a reasonable and proportionate contribution by the Respondent in all the circumstances.

[redacted]

Dated 7 April 2025

For and on behalf of the SRA,
Applicant in these proceedings

[redacted]

Dated 7th April 2025

For and on behalf of Tolhurst Fisher LLP,
Respondent in these proceedings