SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12738-2025

BETWEEN:

SOLICITORS REGULATION AUTHORITY Applicant

and

WILLIAM JOSEPH HARRIS Respondent

Before:
Ms T Cullen (Chair)
Mrs L Boyce
Mr C Childs

Date of Consideration: 8 July 2025

Appearances

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

JUDGMENT ON AN AGREED OUTCOME AND WITHDRAWAL OF AN ALLEGATION

Allegations

1. The allegations against the Respondent William Joseph Harris, made by the SRA and as set out in its Rule 12 Statement dated 26 February 2025, were that, while in recognised sole practice at William Harris Solicitors ("the Firm"):

Allegation 1.1:

1.1. On or around 13 December 2019, he inaccurately confirmed to the SRA that the Firm had a FWRA, in accordance with Regulation 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("MLRs 2017"), when it did not, and thereby breached any or all of:

1.1.1. Principles 2, 4 and 5 of the SRA Principles 2019 ("the Principles"); and

1.1.2. Paragraph 7.4(a) of the SRA Code of Conduct for Solicitors, RELs and RFLs ("the Code of Conduct").

Allegation 1.2

Withdrawn

Allegation 1.3:

1.3. Between 2 January 2018 and 28 May 2024, he failed to ensure that the Firm had:

1.3.1. A Firm Wide Risk Assessment ("FWRA"), which complied with the requirements of Regulation 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information of the Payer) Regulations 2017 ("MLRs"); and / or

1.3.2. Policies, Controls and Procedures ("PCPs") which complied with the requirements of Regulation 19 of the MLRs; and thereby:

1.3.2.1. Insofar as such conduct took place on or after 2 January 2018 but before 25 November 2019:

1.3.2.1.1. Breached Principles 6 and / or 8 of the SRA Principles 2011 ("the Principles 2011"); and / or

1.3.2.1.2. Failed to achieve Outcome 7.5 of the SRA Code of Conduct 2011 ("the SCC 2011").

1.3.2.2. Insofar as such conduct took place on or after 25 November 2019, breached any or all of:

1.3.2.2.1. Principle 2 of the Principles; and

1.3.2.2.2. Paragraph 8.1 of the SRA Code of Conduct for Firms 2019 ("the Code for Firms").

Allegation 1.4:

1.4 Between 1 January 2022 and 30 September 2023, in respect of any or all of the 63 conveyancing clients of the Firm he failed to ensure that the necessary scrutiny regarding the source of client funds was undertaken, in accordance with Regulation 28(11)(a) of the MLRs 2017, and thereby he breached any or all of:

1.4.1.1. Principle 2 of the Principles; and

1.4.1.2. Paragraph 8.1 of the Code for Firms.

Allegation 1.5:

1.5 Between 1 January 2022 and 30 September 2023, he failed to ensure the Firm had an adequate system in place, by which it could apply customer due diligence measures to its clients, in accordance with Regulation 28(2) of the MLRs 2017, and thereby breached any or all of:

1.5.1.1. Principle 2 of the Principles; and

1.5.1.2. Paragraph 8.1 of the Code for Firms.

Allegation 1.6:

1.6. Between 2 January 2018 and 28 May 2024, in respect any or all of the 54 residual client balances for clients of the Firm, and upon there being no proper reason for the Firm to hold those funds, failed to ensure such funds were returned to clients and thereby he:

1.6.1. Insofar as such conduct took place on or after 2 January 2018 but before 25 November 2019, breached any or all of:

1.6.1.1. Rule 14.3 of the SRA Accounts Rules 2011; and

1.6.1.2. Principles 4 and 6 of the Principles 2011.

1.6.2. Insofar as such conduct took place on or after 25 November 2019, breached any or all of:

1.6.2.1. Rule 2.5 of the SRA Accounts Rules 2019 ("the Accounts Rules"); and

1.6.2.2. Principles 2 and 7 of the Principles.

Allegation 1.7

1.7. Failed to ensure, within six months of the end of the applicable accounting period, that the Firm obtained an Accountant's Report ("AR") for any or all of the following accounting periods, during which the Firm held client money:

1.7.1. Between 1 April 2020 and 31 March 2021; and/or

1.7.2. Between 1 April 2021 and 31 March 2022; and/or

1.7.3. Between 1 April 2022 and 31 March 2023; and thereby breached any or all of:

1.7.3.1. Rule 12.1 (a) of the Accounts Rules;

1.7.3.2. Principle 2 of the Principles; and

1.7.3.3. Paragraph 9.2 (a) of the Code for Firms.

Documents

2. The Tribunal had before it the following documents:-

- The Form of Application dated 26 February 2025
- Rule 12 Statement dated 26 February 2025
- Statement of Agreed Facts and Proposed Outcome dated 3 July 2025

Application for the matter to be resolved by way of Agreed Outcome and withdrawal of an allegation

The Respondent admitted each of the allegations.

3. 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.

4. The parties jointly sought leave from the Tribunal to withdraw Allegation 1.2 (recklessness), which was presented as an alternative to Allegation 1.1.1 (dishonesty). Since the Respondent admitted dishonesty for Allegation 1.1.1, the alternative charge of recklessness had become superfluous.

5. The Tribunal permitted withdrawal of Allegation 1.2 for the reasons set out by the Applicant.

Factual Background

6. The Respondent was a solicitor who operated as a sole practitioner at William Harris Solicitors. As the sole owner and manager of his firm, he held direct personal responsibility for compliance, including roles as Compliance Officer for Legal Practice (COLP), Compliance Officer for Finance and Administration (COFA), Money Laundering Reporting Officer (MLRO), and Money Laundering Compliance Officer (MLCO). His firm's primary practice areas were residential conveyancing (56%) and probate (25%), which are identified as high-risk areas for money laundering.

7. The core of the proceedings concerned the Respondent's widespread and fundamental failures to comply with the Money Laundering, Terrorist Financing and Transfer of

Funds (Information on the Payer) Regulations 2017 (MLRs 2017) and the SRA Accounts Rules over a six-year period.

Findings of Fact and Law

8. The Applicant was required to prove the allegation on the balance of probabilities. The Tribunal had due regard to 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.

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

10. 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.

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

12. The Respondent's admitted dishonesty regarding the FWRA confirmation was considered a very serious example of dishonesty given his position as a solicitor and COLP, in a high-risk area, and in response to a direct regulatory inquiry. The widespread and fundamental non-compliance with critical regulations represented systemic failures throughout the six years of his sole practice.

13. The Firm's vulnerability to money laundering and terrorist financing, underscored by £8.8 million in unverified funds, posed a direct threat to the integrity of the legal profession and public safety.

14. Clients suffered actual harm through being deprived of over £100,000 in residual balances for years. The delays in reporting and misleading information prevented the SRA from gaining full knowledge of the issues sooner, thereby delaying intervention and allowing the risk to client money to persist.

15. In all the circumstances the Tribunal accepted that the proposed sanction (as set out in its order) was the only reasonable and proportionate sanction to mark the seriousness of the misconduct, protect the public and maintain the reputation of the profession.

Costs

16. The parties agreed that the Respondent should pay costs in the sum of £29,775.84. The Tribunal determined that the agreed amount was reasonable and appropriate. Accordingly, the Tribunal ordered that the Respondent pay costs in the agreed sum.

Statement of Full Order

17. The Tribunal Ordered that the Respondent, WILLIAM JOSEPH HARRIS, solicitor, be STRUCK OFF the Roll of Solicitors and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £29,775.84.

Dated this 15th day of July 2025
On behalf of the Tribunal

T. Cullen

T Cullen
Chair

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL **CASE NO: 12738-2025**

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

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

- and -

WILLIAM JOSEPH HARRIS

Respondent

STATEMENT OF AGREED FACTS AND PROPOSED OUTCOME ("AOP")

By its application dated 26 February 2025 which included a statement ("the Rule 12 Statement") pursuant to Rule 12(2) of the Solicitors (Disciplinary Proceedings) Rules 2019 ("the SDPR"), the Solicitors Regulation Authority Limited ("the SRA") brought proceedings before the Solicitors Disciplinary Tribunal ("the Tribunal") against Mr William Joseph Harris ("the Respondent").

The Allegations

1. The allegations against the Respondent, made by the SRA, are that, while in recognised sole practice at William Harris Solicitors ("the Firm"):

   1.1. On or around 13 December 2019, he inaccurately confirmed to the SRA that the Firm had a FWRA, in accordance with Regulation 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("MLRs 2017"), when it did not, and thereby breached any or all of:

   1.1.1. Principles 2, 4 and 5 of the SRA Principles ("the Principles"); and

   1.1.2. Paragraph 7.4(a) of the SRA Code of Conduct for Solicitors, RELs, RFLs and RSLs ("the Code of Conduct").

1.2. Between 2 January 2018 and 28 May 2024, he failed to ensure that the Firm had:

1.2.1. A Firm Wide Risk Assessment ("FWRA"), which complied with the requirements of Regulation 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information of the Payer) Regulations 2017 ("MLRs"); and / or

1.2.2. Policies, Controls and Procedures ("PCPs") which complied with the requirements of Regulation 19 of the MLRs;

and thereby:

1.2.2.1. Insofar as such conduct took place on or after 2 January 2018 but before 25 November 2019:

1.2.2.1.1. Breached Principles 6 and / or 8 of the SRA Principles 2011 ("the Principles 2011"); and / or

1.2.2.1.2. Failed to achieve Outcome 7.5 of the SRA Code of Conduct 2011 ("the SCC 2011").

1.2.2.2. Insofar as such conduct took place on or after 25 November 2019, breached any or all of:

1.2.2.2.1. Principle 2 of the Principles; and

1.2.2.2.2. Paragraph 8.1 of the SRA Code of Conduct for Firms ("the Code for Firms").

1.3. Between 1 January 2022 and 30 September 2023, in respect of any or all of the 63 conveyancing clients of the Firm as stated at Appendix 1, he failed to ensure that the necessary scrutiny regarding the source of client funds was undertaken, in accordance with Regulation 28(11)(a) of the MLRs 2017, and thereby he breached any or all of:

1.3.1. Principle 2 of the Principles; and

1.3.2. Paragraph 8.1 of the Code for Firms.

1.4. Between 1 January 2022 and 30 September 2023, he failed to ensure the Firm had an adequate system in place, by which it could apply customer due diligence measures to its clients, in accordance with Regulation 28(2) of the MLRs 2017, and thereby breached any or all of:

1.4.1. Principle 2 of the Principles; and

1.4.2. Paragraph 8.1 of the Code for Firms.

1.5. Between 2 January 2018 and 28 May 2024, in respect any or all of the 54 residual client balances for clients of the Firm as stated at Appendix 2, and upon there being no proper reason for the Firm to hold those funds, failed to ensure such funds were returned to clients and thereby he:

1.5.1. Insofar as such conduct took place on or after 2 January 2018 but before 25 November 2019, breached any or all of:

1.5.1.1. Rule 14.3 of the SRA Accounts Rules 2011; and

1.5.1.2. Principles 4 and 6 of the Principles 2011.

1.5.2. Insofar as such conduct took place on or after 25 November 2019, breached any or all of:

1.5.2.1. Rule 2.5 of the SRA Accounts Rules ("the Accounts Rules"); and

1.5.2.2. Principles 2 and 7 of the Principles.

1.6. Failed to ensure, within six months of the end of the applicable accounting period, that the Firm obtained an Accountant's Report ("AR") for any or all of the following accounting periods, during which the Firm held client money:

1.6.1. Between 1 April 2020 and 31 March 2021; and/or

1.6.2. Between 1 April 2021 and 31 March 2022; and/or

1.6.3. Between 1 April 2022 and 31 March 2023;

and thereby breached any or all of:

1.6.3.1. Rule 12.1 (a) of the Accounts Rules;

1.6.3.2. Principle 2 of the Principles; and

1.6.3.3. Paragraph 9.2 (a) of the Code for Firms.

Appendices and documents

2. The following appendices are attached to this AOP:

2.1. Appendix 1: Schedule of 63 conveyancing clients of the Firm, in respect of Allegation 1.3

2.2. Appendix 2: Schedule of 54 residual client balances for clients of the Firm, in respect of Allegation 1.5

2.3. Appendix 3: [redacted]

Admissions, applications and sanction

3. The Respondent admits the allegations as set out at paragraph 1 of the AOP. The Respondent admits dishonesty and thus a breach of Principle 4 of the Principles, insofar as it is alleged at paragraph 1.1.1 of the AOP.

4. As dishonesty is admitted by the Respondent, the parties seek leave of the Tribunal, per Rule 24 of the SDPR, for allegation 1.2 (recklessness) of the Rule 12 Statement, the alternative to allegation 1.1.1, to be withdrawn, as it is now superfluous.

5. The parties agree, and jointly seek a Direction from the Tribunal, in accordance with Rule 35(9) of the SDPR, confirming, in the context of the Tribunal's Automatic Disclosure Process dated 15 January 2025, that Appendix 3 of the AOP – the Anonymisation Schedule – will not be disclosed or published.

6. The Respondent accepts, by way of sanction, that he should be struck off the roll of solicitors. The parties aver that a striking off order would be in accordance with the Tribunal's Guidance Note on Sanctions (11th edition, February 2025) ("the Guidance Note on Sanctions").

7. The Respondent has agreed to pay the Applicant's costs, in the sum of £29,775.84, and thus the parties seek an Order from the Tribunal ordering payment of the same.

Agreed Facts

8. All of the following facts and matters, which are relied upon in support of the allegations set out within paragraph 1 of this AOP, are admitted and accepted by the Respondent, and are fully agreed between the parties.

Professional Details

9. The Respondent, William Joseph Harris, who was born on [redacted] July 1954, is a Solicitor, and was admitted to the Roll on 1 April 1980.

10. Since 2 January 2018, the Respondent held a recognised sole practice, the Firm, until it was intervened into on behalf of the SRA on 28 May 2024. The Respondent was the sole owner and manager of the Firm. He was, at all times, the Firm's Compliance Officer for Legal Practice ("COLP") and for Finance and Administration ("COFA"). From the perspective of Anti-Money Laundering ("AML") measures, the Respondent was also, at all times, the Firm's Money Laundering Reporting Officer ("MLRO") and its Money Laundering Compliance Officer ("MLCO").

11. The Respondent worked as an Associate at a firm called Patersons from March 2003 until it closed on 31 March 2013. Live files were transferred to the sole practice of Mathew Asghar. Mr Harris worked as an Associate at the firm held by Mr Asghar from 1 April 2013 until Mr Asghar's death on 3 January 2017. Following his death, Mr Asghar's practice became that of the Respondent, with him formally receiving recognition and authorisation as a sole practitioner, under the name of the Firm, on 2 January 2018.

12. The Firm acquired the firm of Mathew Asghar on 2 January 2018 and was authorised to start trading the same day. The office addresses for Patersons and Mathew Asghar were 63a Scotforth Road, Lancaster, LA1 4SD, and this remained the office address for the

Firm.

Summary

13. This matter concerns the Respondent's widespread and fundamental failure to ensure the Firm, his sole practice, complied with the MLRs 2017 and the SRA Accounts Rules 2011/the Accounts Rules.

14. Furthermore, the Respondent misled the SRA by stating the Firm had a FWRA in place when it clearly did not, in the context of the SRA raising concerns with FWRA on a firmwide basis across the profession in December 2019. The Respondent's failures at the Firm regarding the required source of funds / wealth checks concerned some 63 clients and conveyancing transactions for the period from 1 January 2022 to 30 September 2023 totalling over £8 million. For the six years the Respondent was its sole practitioner, the Firm was vulnerable to the risk of being manipulated for the use of money laundering and/ or terrorist financing, the very mischief the MLRs 2017 are designed to prevent.

15. Harm was caused to clients in view of the longstanding failure to ensure client money was properly reconciled once any proper reason for the Firm to retain the same had expired. As at 31 March 2021, 54 clients were affected by the Respondent's failure to return client money to a total of £101,932.41.

Background

16. Concerns with the Respondent's practice at the Firm first became apparent on or around 6 June 2023, when he submitted an AR to the SRA for the Firm in respect of each of the 2020/21 and 2021/22 accounting periods. Both ARs were considerably later than the period required under Rule 12.1(a) of the Accounts Rules. Each of the ARs, both of which had been obtained by the Respondent in October 2022, included declarations by the completing accountant that there were *"...significant breaches of the Accounts Rules and/or significant weaknesses in the firm's systems and controls which put client money at risk. We therefore consider that the SRA should be notified by our qualifying of this report."*

17. Consequently, the SRA commissioned a Forensic Inspection ("FI"), as conducted by a Forensic Investigation Officer ("FIO"), which began in September 2023. The FI included the disclosure of client files and other relevant documents by the Respondent to the

SRA, an interview with the Respondent on 21 December 2023, and culminated in a Forensic Investigation Report ("FIR") authored by the FIO and dated 26 February 2024.

18. The FI identified widespread and fundamental non-compliance with the MLRs 2017 and the Accounts Rules. The failings led to the SRA deciding to intervene in the Firm ("the Intervention") on 23 May 2024, to the Intervention taking effect on 28 May 2024, to the closure of the Firm on 27 May 2024, and to the SRA deciding to refer the Respondent to the Solicitors Disciplinary Tribunal ("SDT") on 25 November 2024.

Applicability of the MLRs 2017

19. There are considerable and ongoing risks posed by money laundering to law firms, the profession and wider public. The current main legislative framework is set out in the MLRs 2017, and the steps required by the same are fundamental requirements for the legal profession; hence, as a supervisory authority under the MLRs 2017, the ongoing efforts made by the SRA to ensure the profession understands what it is required, by law, to do as part of its role in checking firms are complying with the regulations and ensuring they have effective AML PCPs in place. The period under consideration runs from 2 January 2018 up to, and including, the Intervention on 23 May 2023. The MLRs 2017 came into effect from 26 June 2017 and were thus active during the entirety of this matter.

20. The MLRs 2017 imposed additional obligations on firms working in areas of higher money laundering risk, of which conveyancing is one. The FI confirmed that, in respect of the Respondent's sole practice at the Firm, fees income was derived primarily from Residential Conveyancing (56%), and Probate and Estate Administration (25%), thus placing the Respondent's client base firmly within the MLRs 2017.

21. The aim of the MLRs 2017 is to stop criminals using professional services to launder money by requiring those professionals to take a risk-based approach. The regulations require such firms to have measures to identify their clients and monitor how they use the firm's services. The MLRs 2017 may rightly be regarded as a fundamental cornerstone of legal practice and a thorough working knowledge of the same is a reasonable requirement of all Solicitors. Noting the Respondent also held the roles at the Firm of MLRO and MLCP, it follows that his level of understanding of the MLRs 2017 ought to have been current and effective, to ensure systems at the Firm were ready and able to prevent money laundering.

The Respondent's personal responsibility for compliance with the MLRs 2017

22. As the Firm's COLP, COFA, MLRO and MLCO, and noting it was a sole practice, the Respondent had a critical and direct role for compliance with the MLRs 2017.

23. The Respondent accepts that he held personal responsibility for compliance with the MLRs 2017 and thus had the various duties stated per the MLRs 2017, notably those which are stated at Regulations 18 (FWRA), 19 (PCPs) and 28 (source of client funds and customer due diligence).

Section A: The inaccurate confirmation to the SRA, 13 December 2019
Allegations 1.1 and 1.2

Allegation 1.1
Inaccurate confirmation to the SRA / dishonesty

24. Regulation 18(1) of the MLRs 2017 requires a relevant person to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business is subject. The risk assessment that Regulation 18(1) of the MLRs 2017 is concerned with is referred to within this AOP, and more generally as a FWRA.

25. In December 2019, the SRA sent a notice to all firms, including the Firm, who fell within the scope of Regulation 18 of the MLRs 2017, requesting that they each declare, by 31 January 2020, whether they had a FWRA in place. Responses were to be issued electronically using a link embedded within the aforementioned notice.

26. The context for the SRA's notice of December 2019 is that it was concerned, following a review of firms' compliance with the MLRs 2017 that,

"...many firms had poor-quality firm-wide risk assessments, and in some cases had no assessment at all...
Therefore, we require all firms who fall within the scope of the regulations to declare they have a compliant firm-wide risk assessment in place.

We are requesting this information under Regulation 66 of the [MLRs 2017], *paragraph 3.3 of our Code of Conduct for Firms. There are no exceptions to the requirement to do this. We may take action against any firm that fails to make the declaration."*

27. Regulation 66 of the MLRs 2017 enables the SRA to require firms to provide the information so requested in the SRA's notice of December 2019. Similarly, paragraph 3.3 of the Code for Firms requires the provision of accurate information to the SRA.

28. On 13 December 2019, the Respondent responded to the SRA:

    28.1. He identified himself as the Firm's COLP;

    28.2. He indicated *"yes"* in response to:

    "Does your firm have in place a fully compliant firm-wide risk assessment, as required by Regulation 18, taking account of information published by us and including references to; Your customers, The countries or geographic areas in which you operate, Your products and services, Your transactions and Your delivery channels."

    28.3. He added a tick in response to:

    "I confirm that the information I have given is correct, to the best of my knowledge and belief and that I will notify you if anything changes in respect of the information provided in the future. Confirmation[sic]*".*

29. At the start of the FI, the Respondent provided a document to the FIO on the basis it was a FWRA. The purported FWRA provided to the FIO by the Respondent did not fulfil the requirements of a FWRA per Regulation 18 of the MLR's 2017. It did not constitute any effort at all to actually assess risk, and nor could it have reasonably been construed as such.

30. During the interview with the FIO on 21 December 2023, the Respondent admitted:

    30.1. He received the notice sent to all firms by the SRA in December 2019;

    30.2. He completed the response sent to the SRA on 13 December 2019;

30.3. As a matter of fact the Firm did not have a FWRA, either on 13 December 2019, nor as at the date of the interview;

30.4. The purported FWRA provided to the FIO was not, as a matter of fact, a FWRA, and it had instead been located from the HMRC website; and

30.5. He did not know what a FWRA was.

31. In his response of 7 November 2024 to the SRA Notice recommending referral of his conduct to the SDT, which clearly presented this allegation on the basis of dishonesty and lack of integrity, the Respondent admitted all of the allegations made against him (his response was brief and consisted of a blanket admission and a comment that he "*struggled as a sole practitioner*" particularly after a colleague stopped working with him).

Breach of SRA Principles and Code of Conduct – Allegation 1.1

Principle 2 – Public Trust

32. It is clear from the admissions made by the Respondent that he made an inaccurate declaration to the SRA in the response submitted to the SRA on 13 December 2019, in that he declared that the Firm had a FWRA when it clearly did not have one. The public would expect a Solicitor, let alone one that was also the Firm's COLP as the Respondent was, to provide an accurate information when required to do so by the SRA.

33. The public would expect and trust that the Respondent would have taken care when providing information to his regulator to ensure it was scrupulously accurate.

Principle 4 – Dishonesty

34. The Respondent admits that his conduct was dishonest. Given the confirmation by the Respondent was made as a solicitor to his regulator, in the context of a widespread concern regarding FWRA practice and in response to a specifically targeted enquiry seeking confirmation that the Firm's FWRA complied with the requirements of Regulation 18, and noting the Respondent practised in the high risk sector for money laundering of conveyancing, the Respondent has accepted that his conduct may be regarded as a very serious example of dishonesty.

Principle 5: Lack of Integrity

35. The Respondent admits that his actions amounted to a failure to act with integrity (i.e. with moral soundness, rectitude and steady adherence to an ethical code). He knowingly gave misleading information to the SRA by representing the Firm had a FWRA when it did not, in circumstances where the SRA was reviewing profession-wide compliance to try to ensure a greater level of robusticity in the context of the level of risk that the profession could be manipulated for money laundering.

Paragraph 7.4(a) of the Code of Conduct

36. In providing an incorrect statement to the SRA, the Respondent admits that he acted in breach of the requirement to provide full and accurate information to the SRA, in accordance with paragraph 7.4(a) of the Code of Conduct.

Section B: Breach of Regulations 18, 19 and 28 of the MLRs 2017

Allegations 1.2.1, 1.2.2, 1.3 and 1.4

Allegation 1.2.1

Breach of Regulation 18 MLRs 2017 – FWRA

37. As introduced above, regulation 18(1) of the MLRs 2017 requires a relevant person to take appropriate steps to identify and assess the risks of money laundering and terrorist financing to which its business is subject. Regulation 18(2) and (3) sets out the matters to take into account when carrying out the risk assessment, and regulation 18(4) states a record must be made of the steps taken per regulation 18(1).

38. The SRA issued a Warning Notice on '*Compliance with the money laundering regulations – firm risk assessment*' dated 7 May 2019, and which was updated on 25 November 2019. It concluded by noting that,

"Failure to have a money laundering risk assessment in place for your firm is a significant breach of the money laundering regulations. We will take robust enforcement action

where firms do not have one in place, where it is not sufficient to meet their responsibilities or where breaches are not rectified immediately.'.

39. The SRA also published Guidance on '*Firm risk assessments*' on 29 October 2019, updated on 25 November 2019, to further assist as to the steps to be taken regarding Regulation 18 of the MLRs 2017. It states:

"Money laundering presents a financial, reputational and regulatory risk to firms, and you should take action to prevent your firm from being exploited by criminals. A considerable minority of firms still need to familiarise themselves with the requirements of Regulation 18 of the money laundering regulations. We expect firms to be compliant in this area and have provided a variety of resources to help firms draft an effective firm risk assessment [various internet based resources are then set out]."

40. The SRA '*Sectoral Risk Assessment – Anti-money laundering and terrorist financing*', dated 28 January 2021 states:

"The 2020 national risk assessment said: The risk of abuse of legal services for money laundering purposes remains high overall. Legal service providers (LSPs) offer a wide range of services and the services most at risk of exploitation by criminals and corrupt elites for money laundering purposes continue to be conveyancing, trust and company services and client accounts."

41. As above, the majority of the Respondent's sole practice at the Firm concerned conveyancing, the area the SRA have risk assessed on a sectoral basis as that which is most at risk from money laundering.

42. As referred to above, in December 2019, the SRA sent a notice to all firms, including the Firm, who fell within the scope of Regulation 18 of the MLRs 2017, requesting that they each declare by 31 January 2020, that they had a FWRA in place. The notice also included links to the SRA's FWRA guidance, the sectorial risk assessment, the SRA's warning notice and the legal sector guidance. As stated above, on 13 December 2019, the Respondent responded to the SRA by confirming the Firm had a FWRA.

43. At the start of the FI, the Respondent provided a document to the FIO on the basis it was a FWRA. The Respondent accepts that the purported FWRA which he provided to the FIO did not, , in any way, fulfil the requirements of a FWRA per Regulation 18 of the

MLR's 2017. It was simply an example of guidance, undated, from a source other than the SRA, as to how risk could be assessed. There was no evidence to suggest that any of the areas identified at Regulation 18(2) and (3) of the MLRs 2017 as matters to take into account when carrying out a FWRA have been addressed at all.

44. During the interview with the FIO on 21 December 2023, the Respondent admitted:

    44.1. Despite the response of 13 December 2019, as a matter of fact, the Firm did not have a FWRA, either on 13 December 2019, nor as at the date of the interview;

    44.2. He did not assess risk well;

    44.3. He did not know what a FWRA was and would need to find out quickly; and

    44.4. The purported FWRA provided to the FIO was not, as a matter of fact, a FWRA, and it had instead been located from the HMRC website.

45. The SRA has not been provided with a FWRA, which complies with Regulation 18 of the MLRs 2017, at any time by the Respondent, to cover the period from 2 January 2018 to 28 May 2023.

46. In his response of 10 May 2024 in respect of the SRA Notice recommending Intervention of 26 April 2024, the Respondent did not seek to resile from the admissions made at the interview of 21 December 2023. He referred to the SRA Notice recommending Intervention of 26 April 2024, which was based on the FIR, as *"damning"*.

47. In his response of 7 November 2024 to the SRA Notice recommending referral of conduct to the SDT, the Respondent admitted the allegations made against him.

Allegation 1.2.2

Breach of Regulation 19 MLRs 2017 - PCPs

48. Over the course of the FI, the Respondent provided two versions of a PCP:

    48.1. That which was provided *before* he was interviewed by the FIO on 21 December 2023; and

48.2. That which was provided *after* he was interviewed by the FIO on 21 December 2023.

49. The Respondent accepts that *neither* of the PCPs which he provided to the SRA complied with Regulation 19 of the MLR's 2017, on the basis they did not include:

49.1. A risk assessment of the Firm, relevant clients and matters;

49.2. Identify and verify the identities of clients and any beneficial owners of clients; and

49.3. Identify sources of funds and wealth were relevant.

50. During the interview with the FIO on 21 December 2023, the Respondent conceded that the PCP provided prior to the same did not include the matters stated above.

51. In his response of 7 November 2024 to the SRA Notice recommending referral of conduct to the SDT, the Respondent admitted the allegations made against him.

52. In conclusion, the Respondent accepts that he had not ensured that the Firm had PCPs in place that complied with Regulation 19 of the MLRs 2017, and indeed there is no evidence that the necessary policies, controls and procedures were *ever* in place there.

53. The Firm therefore did not, and never had, effective arrangements, systems and controls in place to ensure that it complied with the MLRs 2017 or that the Firm was up to date and followed the law and regulation governing the way it worked. For the six years of its practice, the Firm, and specifically the Respondent, was vulnerable to the risk of being used for money laundering or terrorist financing, the mischief the MLRs 2017 are of course designed to prevent.

Allegation 1.3

Breach of Regulation 28(11)(a) – Necessary scrutiny of the source of client funds

54. Regulation 27(1)(a) of the MLRs 2017 states that a relevant person must apply customer due diligence if the relevant person, amongst other events, establishes a business relationship. Regulation 28 of the MLRs 2017 then sets out the practical steps that are required in the application of customer due diligence, which include ascertaining, where

necessary, the source of client funds (Regulation 28(11)(a)) and confirming and verifying a client's identity and the intended purpose of the business relationship or transaction (Regulation 28(2)).

55. The Respondent accepts that he had a business relationship with the 63 conveyancing clients of the Firm as listed at Appendix 1 of this AOP, and thus the due diligence requirements of Regulation 28 of the MLRs 2019 were engaged.

56. Regulation 28(11)(a) of the MLRs 2017 requires a relevant person to conduct ongoing monitoring of a business relationship, including:

> *(a) scrutiny of transactions undertaken throughout the course of the relationship (including, where necessary, the source of funds) to ensure that the transactions are consistent with the relevant person's knowledge of the customer, the customer's business and risk profile;".*

57. Scrutiny as to a buyer's source of funds would always be necessary in the context of Regulation 28(11)(a) of the MLRs 2017 in any transaction relating to the purchase of property for large sums of money. Conveyancing matters are rightly considered high risk in terms of money laundering, because of the large volumes of cash that can be transferred.

58. The Respondent accepts that he failed to scrutinise transactions, consider and challenge evidence provided, ask for evidence / further evidence as necessary, to satisfy himself that the Firm was handling legitimate client money and thereby exposed the Firm to the risk of money laundering.

59. On 16 October 2023, the Respondent provided the FI with a schedule identifying 77 clients for whom he had acted in respect of conveyancing transactions, covering the period between January 2022 and September 2023.

60. As a sole practitioner at the Firm, the Respondent at all times had conduct for the matters relating to the 77 conveyancing clients. The Respondent indicated that he obtained proof of funds for only 15 of the 77 clients and accepts that he failed to take adequate measures to establish source of funds for 63 of the 77 clients.

61. The total value of the transactions concerning the 63 clients' matters, for which the

Respondent did not obtain evidence of source of funds in respect of, was £8,828,945.

62. As an example of the failure to check source of funds in accordance with Regulation 28(11)(a), the FIO considered the conveyancing matter conducted by the Respondent for Client PPP, concerning a property purchase for £500,000:

62.1. There was no client care letter.

62.2. In an email to Respondent dated 26 May 2023, and as per the Firm's questionnaire, Client PPP confirmed her instructions. Client PPP confirmed that she would not need a mortgage, and the source of funds consisted partly of a gift from her stepfather, Person D, and partly from her own savings.

62.3. The Firm received £514,985.65 into its Client Account from Client PPP and Person D over the course of 15 August 2023 to 14 September 2023. Person D transferred three amounts on 15 August 2023, 17 August 2023 and 12 September 2023, which totaled £400,000, into the Firm's client account. On 16 September 2023, *after* the funds had already been received by the Respondent into the Firm's client account, the Respondent requested information on source of funds from Person D. Person D then provided with a narrative and bank statement on 20 September 2023 which explained the funds had originated from a sale Person D had benefitted from concerning his later mother's estate on 23 September 2022. The Respondent's action in this regard was retrospective and reactive, occurring after funds had already been received into the Firm's Client Account.

63. In conclusion, for 63 clients, over a 21-month period, the Respondent allowed the Firm's Client Account to receive £8,828,945 of funds for which he had not undertaken adequate measures to establish the source of client funds. In his response of 7 November 2024 to the SRA Notice recommending referral of conduct to the SDT, the Respondent admitted the allegations made against him.

Allegation 1.4

Breach of Regulation 28(2) MLRs 2017 - Customer due diligence measures

64. Regulation 28(2) of the MLRs 2017 requires the application of customer due diligence measures, specifically, a relevant person must:

"(a) Identify the customer unless the identity of that customer is known to, and has been verified by, the relevant person;

(b) Verify the customer's identity unless the customer's identity has already been verified by the relevant person; and

(c) Assess, and where appropriate obtain information on, the purposes and intended nature of the business relationship or occasional transaction."

65. As referred to above, on 16 October 2023, the Respondent provided the FI with a schedule identifying 77 clients for whom he had acted in respect of a conveyancing transaction, covering the period between January 2022 and September 2023. The Respondent at all times had conduct for the matters relating to the 77 clients stated upon the schedule.

66. In the context of the aforementioned schedule, during the interview with the FIO on 21 December 2023, the Respondent stated:

66.1. He may see some clients' identification documents if they live locally and they would then send him a copy afterwards, but he did not check all clients;

66.2. He agreed there was a risk that he could be selling other people's properties;

66.3. On the specific matter of Client PPP, he obtained identification for Client PPP and Person D but he had not taken any steps to *verify* the identification, given he had not met either Client PPP or Person D.

67. The Respondent confirmed to the FIO that occasionally local clients would bring their identification to the Firm. However, other clients who were not local may have simply sent their identification to the Firm. The Respondent confirmed that he would accept that identification even if it had not been independently verified. He said he did not use a third-party ID checker.

68. The Respondent accepts that he displayed a casual disregard for the formal requirements of customer due diligence and there was an absence of a system of measures to scratch beyond the surface of what was presented to him. The risk was

present that he did not and could not know for sure, at all times, who exactly the Firm was in a business relationship with, and thus left the Firm vulnerable to being used for money laundering.

69. In his response of 7 November 2024 to the SRA Notice recommending referral of conduct to the SDT, the Respondent admitted the allegations made against him.

Breach of SRA Principles and Code of Conduct
Allegations concerning the MLRs 2017 - 1.2.1, 1.2.2, 1.3 and 1.4

70. Considering the high risk which has been identified of legal services within the Respondent's Firm's practice being vulnerable to being manipulated for the purpose of money laundering, the breaches of the MLRs 2017 were sufficiently serious to find breaches of the Principles and Codes.

71. As the relevant person, the Respondent was under an obligation to ensure that the Firm complied with Regulation 28(11)(a) of the MLRs 2017 to take adequate measures to establish the source of client funds. To discharge this duty, it was necessary for the Respondent to scrutinise transactions, consider and challenge evidence provided, ask for evidence / further evidence as necessary, to satisfy himself that the Firm was handling legitimate client money. He needed to consider if any evidence provided to him of source of funds was then consistent with his knowledge of the customer, their business and risk profile. The failure to do so exposed the Firm to the risk of money laundering.

72. The Respondent has been in practice since 1 April 1980, and in sole practice since 2018, so the requirements of AML measures in general, and the MLRs 2017 specifically, were not new and should have been an embedded and intrinsic part of his daily practice. However, the evidence demonstrates fundamental provisions of the MLRs 2017 had not been complied with, culminating in the Respondent allowing the Firm's Client Account to receive £8,828,945 of funds for which he had not undertaken adequate measures to establish the source of. There was a clear risk that the Respondent may have allowed himself to be manipulated for the purpose of money laundering.

73. The Respondent admits that he:

73.1. Failed to achieve Outcome 7.5 of the SCC 2011 (before 25 November 2019)

to *"comply with legislation applicable to your business, including anti-money laundering"*;

73.2. Failed to comply with the MLRs 2017, and thus breached Principle 6 of the Principles 2011 (before 25 November 2019) and Principle 2 of the Principles (from 25 November 2019), to behave in a way that maintains and upholds the public trust in the profession.

73.3. Aside from his responsibility as a solicitor, the Respondent held principal and overarching responsibility as the sole practitioner of the Firm, and as its COLP, COLP, COFA, MLCO, for all of his clients' matters. He had to ensure there was compliance with the relevant regulatory and legislative obligations intended to protect against the risk of professional service providers being used to facilitate money laundering or the financing of terrorism, but failed to do so.

73.4. Breached Principle 8 of the Principles 2011 (before 25 November 2019), which required the Respondent to run the Firm and its business effectively and in accordance with proper governance and sound financial and risk management principles.

73.5. Breached paragraph 8.1 of the Code for Firms, which required the Respondent, as the sole principal in a recognised sole practice, to be responsible for ensuring the Firm complied with the Code for Firms. The Respondent breached paragraph 8.1 of the Code for Firms by failing to ensure that the Firm complied with Regulations 18, 19, 28(11) and (2) of the MLRs 2017, in contravention of the Firm's duty to:

73.5.1. Per paragraph 2.1 (a) of the Code for Firms, *"comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you"* and,

73.5.2. Per paragraph 3.1 of the Code for Firms, to *"keep up to date with and follow the law and regulation governing the way you work."*

Section C:
Breach of Accounts Rules
Allegations 1.5 and 1.6

Allegation 1.5
Client Balances

74. In respect of conduct on or after 2 January 2018, but before 25 November 2019, Rule 14.3 of the SRA Accounts Rules 2011 states:

"Client money must be returned to the client (or other person on whose behalf the money is held) promptly, as soon as there is no longer any proper reason to retain those funds. Payments received after you have already accounted to the client, for example by way of a refund, must be paid to the client promptly."

75. In respect of conduct on or after 25 November 2019, Rule 2.5 of the Accounts Rules states:

"You ensure that client money is returned promptly to the client, or the third party for whom the money is held, as soon as there is no longer any proper reason to hold those funds."

76. On 6 June 2023, the Respondent submitted an AR for the accounting periods between 1 April 2020 and 31 March 2021, and 1 April 2021 and 31 March 2022. Both of the ARs were qualified on the basis the accountant had, *"...found significant breaches of the Accounts Rules and/or significant weaknesses in the firm's systems and controls which put client money at risk."* .

77. The accountant included with each of the ARs a summary setting out breaches of the Accounts Rules, including the following:

"Rules 2.5 [sic] – Client Money

Whilst checking the extraction of balances, we noted several that had not moved for some time, the implications of Rule 2.5 have been previously pointed out to the solicitor. The list was sent to the client for review. It does not appear as though some of these previously noted balances have been actioned at all. In 2020, the client had previously responded to all the queried balances listed with suggested action or explanation. The client has provided an explanation against the 2022 balances. However, it is clear that any action points suggested by the client in 2020, have not all been progressed during the 2021/22 year."

78. The reporting accountants also provided a schedule headed, "Balances on and not moved since at least 2020", which the Respondent provided to the FI. The schedule consists of a list of 61 residual balances of client money at the Firm totaling £126,767, ranging from £0.50 to £23,595.48, and it also included a series of notes from the accountant seeking to confirm why client money had not been distributed.

79. Following a request by the FIO, the Respondent produced a further schedule detailing the oldest and highest residual balances of client balances still held by the Firm, with an explanation for the same. By way of an illustration of some of the matters listed within the Respondent's schedule:

79.1. Client KKKK

The Firm held Client money in the sum of £18,067.71, and the last movement on the file for the same was on 5 January 2015.

In the interview with the FIO on 21 December 2023, the Respondent accepted there was no explanation for not sorting the matter out and accepted that he was depriving beneficiaries of money owned to them which was not acting in the best interests of the client.

79.2. Client ZZZ

The Firm held Client money in the sum of £23,595.48, and the last movement on the file for the same was on 12 January 2017.

In the interview with the FIO on 21 December 2023, the Respondent accepted there was no excuse as to why he had not dealt with the matter, noting Client ZZZ had died in 2010.

79.3. Client XXXX

The Firm held Client money in the sum of £9,299.30, and the last movement on the file for the same was on 3 January 2017.

The Respondent stated in interview that the beneficiary had died and he had not taken any steps to find the beneficiary. He was unclear as to when the beneficiary had died.

80. On 26 April 2024, the Intervention Investigation Officer for the SRA drafted, from the evidence provided to the FI by the Respondent, an updated schedule of residual balances, taking into account balances that had been cleared and others that were legitimate retentions. This placed the total of residual balances, for 54 clients, of Client money at the Firm, at £101,932.41. This updated schedule has been used as the basis for Allegation 1.6.

81. The evidence demonstrates that, over the course of the entirety of the existence of the Respondent's sole practice at the Firm, he routinely retained client money long after any legitimate reason to do so had long expired. He held a complete disregard for his obligation to repatriate client money to its rightful beneficiary as soon as any good reason for him retaining the same had expired.

82. It is implicit in the lack of return of client money to clients that the Respondent also did not ensure that he regularly communicated with them, confirm the balance held, and the reason for the retention. He clearly did not obtain instructions as to what the clients wanted to happen to such funds. As a general observation, the Respondent simply did not communicate effectively with his client on such matters, notwithstanding the amount of client money the Firm was holding, and the number of clients affected.

83. In his response of 7 November 2024 to the SRA Notice recommending referral of

conduct to the SDT, the Respondent admitted the allegations made against him.

Breach of SRA Principles

Allegation 1.5 - Client Balances

Principle 4 of the SRA Principles 2011 / Principle 7 of the Principles

84. The Respondent admits that the failure to distribute client balances promptly constitutes a failure to act in the clients' best interests in breach of Principle 4 of the SRA Principles 2011 (conduct before 25 November 2019) and Principle 7 of the SRA Principles 2019 (conduct on or after 25 November 2019). The Respondent admits that his conduct was in breach of Rule 14.3 of the SRA Accounts Rules 2011, and Rule 2.5 of the Accounts Rules as he failed to ensure that the Firm returned client money to clients as soon as the proper reason to hold the same had expired, and that such conduct was repeated and systemic in nature.

85. The Respondent admits that he failed to act in the best interests of clients by holding onto client money for many years when there was no legitimate reason to do so. The Respondent was actively chased for action on the Client ZZZ matter, and it was not in the best interests of the clients that those requests were not actioned. Clients are entitled to their money, and the Respondent did not act in the interests of clients by failing to return it to them. The Respondent's failure to return money promptly is indicative of actual harm to client interests.

86. Due to the length of time the Respondent failed to distribute monies, some beneficiaries to the estate did not receive their proper entitlements for years, while some of them were elderly and passed away before they could be properly paid (for example, Client ZZZ). The Respondent's failure to distribute client money promptly had the potential to cause a significant loss/impact as the lives of beneficiaries could have been enhanced from these monies.

Principle 6 of the SRA Principles 2011 / Principle 2 of the Principles

87. The public would expect the Respondent to promptly return any money to clients that it was no longer appropriate for him to retain. The public would lose confidence in the profession to know that balances were not returned to clients promptly, even after the Respondent had been actively chased for those balances. Client money is sacrosanct, and the Enforcement Strategy makes clear that any related breaches will be treated as inherently serious.

88. The public would not expect a solicitor to fail to carry out the work that he was expressly retained to do. The Respondent was in a position of trust in holding client and estate monies. His failure to distribute balances diminishes the confidence and trust place in him and the legal services he provides.

Allegation 1.6

Failure to obtain ARs

89. The conduct in question arose on or after 25 November 2019, thus Rule 12.1 of the Accounts Rules is applicable, as follows:

> *"(12.1) If you have, at any time during an accounting period, held or received client money, or operated a joint account or a client's own account as signatory, you must:*
>
> *(a) obtain an accountant's report for that accounting period within six months of the end of the period; and*
>
> *(b) deliver it to the SRA within six months of the end of the accounting period if the accountant's report is qualified to show a failure to comply with these rules, such that money belonging to clients or third parties is, or has been, or is likely to be placed, at risk."*

90. It is clear from the aforementioned evidence concerning allegations 1.4 and 1.5 that the Respondent's Firm, of which he was the sole practitioner, held and/ or received client money during a period of time including that between 1 April 2020 and 31 March 2023. As such, the obligation under Rule 12.1(a) of the Accounts Rules to obtain an AR within six months of the end of each of the accounting periods between 1 April 2020 and 31 March 2021, 1 April 2021 and 31 March 2022, and 1 April 2022 and 31 March 2023, was engaged.

91. The six-month period following the end of the accounting period between 1 April 2020 and 31 March 2021 expired on 30 September 2021. The six-month period following the end of the accounting period between 1 April 2021 and 31 March 2022 expired on 30 September 2022.

92. It was recorded within each of the ARs for the accounting periods between 1 April 2020 and 31 March 2021, and 1 April 2021 and 31 March 2022, by the accountant preparing the same that,

"Unfortunately, the client did not respond to our requests to visit their office to carry out the SRA work until October 2022. At which point rule 12.1(a) was breached."

93. During the interview with the FIO on 21 December 2023, the Respondent accepted that there had been a delay in him ensuring the accountant attending the Firm to complete the ARs for the accounting periods between 1 April 2020 and 31 March 2021, and 1 April 2021 and 31 March 2022. He stated:

"Well, I'm not really sure now I can't remember too much about it. But the accountants for quite a long time, said they wanted to come. There were some Covid restrictions in place for a while, but I can't remember the timescales now. But certainly the accountants were not guilty of not asking me on a regular basis and I think it was a case of I wanted to get ready for them so there's no acceptable reasons let's put it like that."

94. In respect of the ARs obtained in October 2022 for the accounting periods between 1 April 2020 and 31 March 2021, and 1 April 2021 and 31 March 2022, it is noted that both were qualified on the basis the accountant had:

"...found significant breaches of the Accounts Rules and/or significant weaknesses in the firm's systems and controls which put client money at risk. We therefore consider that the SRA should be notified by our qualifying of this report."

95. The Respondent's delay in obtaining the ARs finally obtained in October 2022 caused a significant delay in the identification by the SRA of the significant failures concerning the Respondent's management of Client Money. The Respondent further compounded this delay by failing to disclose the same to the SRA until 6 June 2023, some eight months after the ARs had been obtained.

96. In the interview with the FIO on 21 December 2023, the Respondent accepted an AR had not been completed for the accounting period between 1 April 2022 and 31 March 2023. He stated he had been in contact with the accountant concerning the same and hoped that they would attend in January 2024, but did not, at the date of the interview, have a date confirmed.

97. There is no evidence to show that an AR was *ever* obtained for the accounting period between 1 April 2022 and 31 March 2023, the six-month period for which having expired on 30 September 2023. The Respondent accepted that the AR had not been obtained even though he had been aware in September 2023 that he was the subject of the FI, and although, on 20 October 2023, he had been required to provide documentation, to include *"all ledgers and financial documents"* to the SRA, in accordance with section 44B of the Solicitors Act 1974.

Allegation 1.6
Failure to obtain ARs
Breach of SRA Principles

Principle 2 of the Principles

98. The Respondent admits that his conduct placed him in breach of Principle 2 in that it brings into question the trust and confidence the public have in the solicitors' profession and in legal services he provided. He failed to obtain an AR for the accounting periods between 1 April 2020 and 31 March 2021, and 1 April 2021 and 31 March 2022 until October 2022. He failed to obtain one for the accounting period between 1 April 2022 and 31 March 2023, even though he was the subject of the SRA FI from September 2023. As such, and as described above, he breached the Accounts Rules, which are there to ensure firms across the profession practice in a safe and financially responsible manner.

99. The AR system is there to help the SRA exercise regulatory oversight of firms and their practice concerning client money, and to act as a warning system where, as in this case, client money is placed at risk. It is a way for the SRA to also consider other finance related matters, as in this matter where the AR reporting served as a catalyst for the wider FI which uncovered the aforementioned MLRs 2017 related concerns. Therefore, ARs should be regarded as a strict requirement to help ensure public trust

and confidence is maintained, as opposed to a box ticking bureaucratic exercise.

Allegation 1.6

Failure to obtain ARs

Breach of paragraph 9.2 (a) of the Code for Firms

100. The AR system is a specific safeguard within the Accounts Rules designed to enable the SRA to identity where client money is at risk, so that swift action may be taken in response. The COFA role, per paragraph 9.2 (a) of the Code for Firms, includes a specific duty to take all reasonable steps to ensure their firm and its managers and employees comply with any obligations imposed upon them by the Accounts Rules, including, but not limited to, Rule 12.1 (a).

101. As stated above, the Respondent's conduct was in breach of Rule 12.1 (a) of the Accounts Rules, and as a consequence he admits that he also breached his specific duty as COFA to ensure there was compliance with the Accounts Rules per paragraph 9.2 (a) of the Code for Firms. His actions amount to a fundamental failure of his duty as COFA to ensure ARs were obtained, and he thus frustrated the specific safeguard contained within the Code for Firms to ensure the SRA were able to become aware of a risk to client money. The Respondent thus enabled the risk to client money to remain hidden from the SRA and continue unabated for a significant period of time.

Non-Agreed Mitigation

102. The Respondent does not wish to raise any matters of non-agreed mitigation.

Proposed Sanction

103. The proposed sanction is that the Respondent should be struck off the Roll of Solicitors.

104. The Tribunal is further asked to order, as agreed with the Respondent, that he be ordered to pay the SRA's costs in the sum of £29,775.84.

Explanation as to why a striking off order is in accordance with the Guidance Note on Sanctions

105. The parties submit that, in light of the facts of this matter as set out in this AOP, all of

which is admitted and accepted by the Respondent and agreed between the parties, and taking due account of the mitigation put forward by the Respondent, the proposed outcome of a striking off order represents a fair and proportionate resolution to the matter, and is consistent with the Guidance Note on Sanctions. It is submitted that the seriousness of the misconduct in this matter is at the top end of the scale, such that strike off is the only sanction that is consistent with the relevant caselaw and the Guidance Note on Sanctions.

Culpability

106. The admitted facts confirm the Respondent to have an elevated level of culpability:

106.1. As a sole practitioner, the Respondent had complete control over the Firm, and served as its COLP and COFA. He had conduct of the client matters in question. He had direct control over the matters from which the misconduct in this case was committed: it was within his control to openly communicate to the SRA the lack of a FWRA and to then work constructively to put matters right, and it was similarly within his control to have properly managed the onboarding of clients and the practice of holding and distributing client money.

106.2. The Respondent's position gave him a high-level position of trust to ensure he acted in the best interests of his clients, yet he categorically failed to do so.

106.3. The Respondent is a highly experienced solicitor yet, as he accepted during this case, he had an inadequate level of understanding of the MLRs 2017, notwithstanding his practice falling within an area of high risk.

106.4. The return of the notice to the SRA, and the presentation during the FI of a document on the basis it was a FWRA, when it clearly was not, constitute efforts to deliberately mislead the SRA as the Respondent's regulator. Per ***Solicitors Regulation Authority v Spence [2012] EWHCC 2977 (Admin)***, as referred to in the Guidance Note on Sanctions at page 11, Mr Justice Foskett stated:

The investigators on behalf of the SRA are entitled to expect honest responses from solicitors they are investigating, and, in my judgment, it would send entirely the wrong message if striking off was not the normal order, save in the most exceptional circumstances, in this kind of situation.

Harm

107. In terms of the harm caused / risked:

107.1. The Firm never had effective arrangements, systems and controls in place to ensure that it complied with the MLRs 2017. For 63 clients, over a 21-month period, the Respondent allowed the Firm's Client Account to receive £8,828,945 of funds for which he had not undertaken adequate measures to establish the source of client funds. The Firm was vulnerable to being used for nefarious purposes of money laundering or terrorist financing for the full six years of its practice.

107.2. Due to the length of time the Respondent failed to distribute monies, some beneficiaries to the estates did not receive their proper entitlements for years, while some of them were elderly and passed away before they could be properly paid.

107.3. The misleading response regarding the FWRA position, and the failure to obtain timely ARs for 2020 to 2023, had the effect of delaying the SRA from having full knowledge of the problems at the Firm. Had the SRA been aware sooner, the level of risk and harm could have been mitigated, as the SRA could have intervened in the Firm sooner.

Aggravating factors

108. The following aggravating factors are present:

108.1. <u>Dishonesty:</u>

108.1.1. The Guidance Note on Sanctions states, at paragraph 28:

> *"Some of the most serious misconduct involves dishonesty, whether or not leading to criminal proceedings and criminal penalties. A finding that an allegation of dishonesty has been proved will almost invariably lead to striking off, save in exceptional circumstances (see Solicitors Regulation Authority v*

Sharma [2010] EWHC 2022 (Admin))."

108.1.2. In *Sharma* (at [13]) Coulson J summarised the consequences of a finding of dishonesty by the Tribunal against a solicitor as follows:

"(a) Save in exceptional circumstances, a finding of dishonesty will lead to the solicitor being struck off the Roll … That is the normal and necessary penalty in cases of dishonesty…
(b) There will be a small residual category where striking off will be a disproportionate sentence in all the circumstances …

(c) In deciding whether or not a particular case falls into that category, relevant factors will include the nature, scope and extent of the dishonesty itself, whether it was momentary … or over a lengthy period of time … whether it was a benefit to the solicitor … and whether it had an adverse effect on others…"

108.1.3. The context within which the dishonesty occurred is important. Law firms are regarded as at a risk of being misused for money laundering purposes. The Respondent's practice at the Firm centred on the high risk areas of conveyancing, probate and estate administration. The SRA's notice to all firms of December 2019 made clear the risk factors, and in that context, as regulator, it asked for confirmation as to whether they had a FWRA. The Respondent's reply gave the SRA false information. Given the state of non-compliance with the MLRs 2017 that was later discovered during the FI, the Respondent's reply had the effect of concealing the true position, thus ensuring the level of risk of money laundering posed by the Firm's actions continued unabated. The dishonesty was not corrected of the Respondent's own volition, indeed the Respondent exacerbated the position by submitting, during the course of the FI, a document that most obviously was not a FWRA.

108.2. Misconduct where the Respondent knew or ought to reasonably have known that the conduct was in material breach of obligations to protect the public and the reputation of the legal profession:

108.2.1. As stated above, the MLRs 2017 are intended to mitigate against the risk of law firms becoming unwittingly involved and used for the purposes of money laundering or terrorist financing. They are there to help protect the public and the reputation of the legal profession. The Respondent's failures constitute widespread material breaches of the MLRs 2017.

109. Whilst the Respondent has admitted the allegations, including that his conduct was dishonest, it is submitted that there is no mitigation that would enable the seriousness assessment to be brought out of the range of strike off.

110. In all the circumstances, the parties agree that, in the context of the admitted conduct, an immediate strike off is the only fair, reasonable and proportionate sanction that would have an appropriate effect on public confidence in the legal profession and adequately reflect the serious misconduct.

111. Accordingly, the appropriate penalty in this case is for the Respondent to be struck off the Roll of Solicitors.

THOMAS WALKER

.....

Dated: 3 July 2025

Thomas Walker
Legal Director (Barrister), Blake Morgan LLP

For and on behalf of the SRA

Dated: 3 July 2025

Mr William Joseph Harris
Respondent in these proceedings

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL **CASE NO: 12738-2025**

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

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

WILLIAM JOSEPH HARRIS

Respondent

APPENDIX 1 - Allegation 1.3

Schedule of 63 conveyancing clients (see TW1, 209 to 211)

	Client	Date of Transaction	Amount (£)
1.	Client A	7/1/22	145,430
2.	Client C	24/1/22	135,000
3.	Client D	24/1/22	310,000
4.	Client F	14/2/22	113,400
5.	Client H	16/2/22	329,058
6.	Client J	24/2/22	76,000
7.	Client K	10/3/22	28,330
8.	Client L	16/3/22	187,000
9.	Client M	14/3/22	139,950
10.	Client N	4/3/22	60,000
11.	Client O	17/3/22	65,000
12.	Client Q	31/3/22	337,900
13.	Client R	28/3/22	109,419
14.	Client S	1/4/22	181,296
15.	Client T	11/4/22	373,260
16.	Client U	14/4/22	14,500
17.	Client V	19/4/22	106,000
18.	Client W	21/4/22	1,895.74
19.	Client X	25/4/22	106,090
20.	Client Y	25/4/22	271,000
21.	Client Z	17/5/22	150,510

	Client AA	20/5/22	135,750
23.	Client BB	30/5/22	58,680
24.	Client CC	1/6/22	41,530
25.	Client EE	30/6/22	160,000
26.	Client FF	6/7/22	183,350
27.	Client GG	12/7/22	81,458
28.	Client HH	13/7/22	248,427
29.	Client II	22/7/22	93,849
30.	Client JJ	26/7/22	308,600
31.	Client KK	27/7/22	34,000
32.	Client NN	23/8/22	272,843
33.	Client PP	6/10/22	114,300
34.	Client RR	7/11/22	69,721
35.	Client SS	16/11/22	57,150
36.	Client UU	29/11/22	122,427
37.	Client VV	20/12/22	385,000
38.	Client WW	13/1/23	8,000
39.	Client YY	27/1/23	120,000
40.	Client ZZ	27/1/23	250,000
41.	Client AAA	6/2/23	114,000
42.	Client BBB	14/2/23	126,105
43.	Client CCC	16/2/23	241,000
44.	Client DDD	23/2/23	213,500
45.	Client EEE	15/3/23	161,536
46.	Client FFF	24/3/23	130,000
47.	Client GGG	3/5/23	65,687
48.	Client HHH	10/5/23	15,743
49.	Client III	15/5/23	226,930
50.	Client JJJ	26/5/23	47,000
51.	Client KKK	19/6/23	95,064
52.	Client LLL	20/6/23	95,125
53.	Client MMM	4/7/23	357,040
54.	Client NNN	1/8/23	252,000
55.	Client OOO	7/8/23	90,200
56.	Client PPP	17/8/23	500,000
57.	Client QQQ	21/8/23	75,000
58.	Client SSS	7/9/23	82,228
59.	Client TTT	7/9/23	45,000
60.	Client UUU	11/9/23	24,793
61.	Client VVV	13/9/23	20,000
62.	Client XXX	21/9/23	8,000
63.	Client YYY	26/9/23	166,860

BEFORE THE SOLICITORS DISCIPLINARY TRIBUNAL **CASE NO: 12738-2025**

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

AND IN THE MATTER OF:

SOLICITORS REGULATION AUTHORITY LIMITED

Applicant

and

WILLIAM JOSEPH HARRIS

Respondent

APPENDIX 2 - Allegation 1.5

Schedule of 54 client balances

As extracted from TW1, 286 and 287

	Reference	Client	Balance
	Balances on and not moved since at least 2020		
1	A4	Client ZZZ - deceased	£23,595.48
2	B63	Client AAAA	£90.80
3	B2	Client BBBB	£25.00
4	B78	Client CCCC	£10.00
5	C55	Client DDDD	£40.00
6	D39	Client EEEE	£720.00
7	H92	Client FFFF	£979.10
8	H98	Client GGGG	£200.00
9	H36	Client HHHH	£564.30
10	K1	Client IIII	£156.35

11	L12	Client JJJJ [redacted]	£960.31
12	L3	Client KKKK	£18,067.71
13	N17	Client LLLL	£20.00
14	N17	Client MMMM - deceased	£7,350.83
15	P2	Client NNNN	£58.00
16	P38	Client OOOO	£590.00
17	R19	Client PPPP	£35.82
18	R35	Client QQQQ - deceased	£10.00
19	R6	Client RRRR	£150.00
20	S2	Client SSSS	£60.00
21	S12	Client TTTT	£280.90
22	S7	Client UUUU	£108.00
23	T6	Client VVVV	£3,147.57
24	W1	Client WWWW	£1,576.99
25	W2	Client XXXX	£9,299.30
26	W41	Client YYYY [redacted]	£10.00
27	Z11	Client ZZZZ	£267.00
	Added to the list for 2021		
28	A1	Client CCCCCC	£6.28
29	B114	Client BBBBB	£787.71
30	C43	Client CCCCC	£29.20
31	F40	Client DDDDD	£36.00
32	H80	Client EEEEE	£30.37
33	H116	Client FFFFF	£150.20
34	h152	Client GGGGG	£3.00

35	P66	Client HHHHH	£10.00
36	R2	Client IIIII	£13,928.68
37	S30	Client JJJJJ	£40.00
38	S8	Client KKKKK	£70.80
39	T4	Client LLLLL	£1,932.45
40	T16	Client MMMMM	£431.00
41	T46	Client NNNNN	£4.00
42	W69	Client OOOOO	£111.00
43	W5	Client PPPPP	£618.50
44	W35	Client QQQQQ	£1,904.20
	Added to the list for 2022		
45	C16	Client RRRRR	£1,000.00
46	G73	Client SSSSS	£0.50
47	H177	Client TTTTT	£838.00
48	H182	Client UUUUU	£565.39
49	H1	Client VVVVV	£1,093.97
50	J38	Client WWWWW	£15.95
51	M1	Client XXXXX	£45.00
52	O1	Client YYYYY	£669.42
53	S120	Client ZZZZZ	£500.00
54	S1	Client AAAAA	£8,737.33
			£101,932.41