

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12739-2025

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD.

Applicant

and

PAUL EDMUND LEVY

Respondent

Before:

Ms A Kellett (in the chair)

Mr U Sheikh

Ms E Keen

Date of Hearing: 20 October 2025

Appearances

Mr Delme Griffiths of Blake Morgan LLP, One Central Square, Cardiff, CF10 1FS for the Applicant

Mr Paul Edmund, Respondent Levy of Oxford House, Talbot Avenue, London, N2 0LS represented himself

JUDGMENT

Allegations

1. The allegations against the Respondent, Paul Edmund Levy, made by the SRA were that, while in practice as a Solicitor at Singhanian & Co Limited (“the Firm”), between approximately September 2019 and December 2019, he acted in one or more loan transactions involving Person A and/or Person B (“the transaction(s)”) in which he:
 - 1.1. Failed to identify and/or appropriately respond to one or more indicators of potential fraud and/or money laundering arising from the transaction(s) and he thereby:
 - 1.1.1. Insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, breached any or all of Principle 4 and Principle 6 of the SRA Principles 2011 (“the 2011 Principles”).
 - 1.1.2. Insofar as such conduct took place on or after 25 November 2019 breached any or all of:
 - 1.1.2.1 Principle 2 and Principle 7 of the SRA Principles (“the 2019 Principles”); and/or
 - 1.1.2.2 Paragraph 3.3 of the Code of Conduct for Solicitors, RELs and RFLs (“the Code for Solicitors”).

The facts and matters relied upon in support of allegation 1.1 were set out in paragraphs 16 to 97 of the Rule 12 (2) Statement dated 28 February 2025 (“the Rule 12 Statement”).

- 1.2. Caused or materially contributed to the Firm’s failure to comply with Regulation 28 and/or Regulation 33 of The Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017 (“2017 MLRs”), in that:
 - 1.2.1 Adequate customer due diligence (“CDD”) was not undertaken; and/or
 - 1.2.2. Appropriate information was not sought to determine whether, and to what extent, enhanced customer due diligence (“EDD”) was required; and/or
 - 1.2.3. Adequate EDD was not undertaken.

In doing so, the Respondent thereby:

- 1.2.4. Insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019:
 - 1.2.4.1 Breached any or all of Principle 6 and Principle 7 of the 2011 Principles; and/or
 - 1.2.4.2. Failed to achieve Outcome 7.5 of the SRA Code of Conduct 2011 (“the SCC 2011”).

1.2.5. Insofar as such conduct took place on or after 25 November 2019, breached:

1.2.5.1. Principle 2 of the 2019 Principles; and/or

1.2.5.2. Paragraph 7.1 of the Code for Solicitors.

The facts and matters relied upon in support of allegation 1.2 are set out in paragraphs 98 to 117 of the Rule 12 Statement.

Manifest incompetence

1.3. In addition, allegations 1.1 and 1.2 are advanced on the basis that the Respondent's conduct was manifestly incompetent. Manifest incompetence is alleged as an aggravating feature of the Respondent's misconduct but is not an essential ingredient in proving the allegations.

Executive Summary

2. The Tribunal found allegation 1.1 proved in its entirety. The Tribunal found Mr Levy's admissions to have been properly made.
3. The Tribunal found allegation 1.2 proved in its entirety. The Tribunal found Mr Levy's admissions to have been properly made.
4. The Tribunal gave leave to the Applicant to withdraw allegation 1.3 on the basis of new evidence submitted by the Respondent.

Sanction

5. The Tribunal imposed a fine in the sum of £15,000 and further ordered that Mr Levy pay costs in the sum of £35,386.90.

Documents

6. The Tribunal considered all of the documents in the case which included:
 - The Applicant's Rule 12 Statement dated 28 February 2025
 - The Respondent's Answer to the Rule 12 Statement dated 19 May 2025
 - Statement of Agreed Facts dated 17 October 2025

Background

7. Mr Levy was admitted to the Roll in September 1999. At the time of the misconduct, he was a solicitor and consultant at the Firm, prior to its closure on 31 December 2021. Mr Levy was engaged at the time of the hearing as a consultant for Karam, Missick & Traube LLP. He held a current practising certificate free from restrictions.

Preliminary Matters

8. Application for anonymity

8.1 Pursuant to Rule 35(9) of the Solicitors (Disciplinary Proceedings) Rules 2019 (“the SDPR”) Mr Griffiths applied for the Anonymisation Schedule to the Rule 12 Statement to be continued on the basis that it referred to clients of law firms and victims of alleged fraud.

8.2 Mr Levy was neutral as regards the application and the Tribunal granted the application.

9. Application to amend the Rule 12 Statement

9.1 Mr Griffiths alerted the Tribunal to an error in the numbering of the sub-paragraphs to paragraph 1.2.4 and 1.2.5 of the Rule 12 Statement. He stated that the numbering had been corrected in the Statement of Agreed Facts dated 17 October 2025 (“the Statement of Agreed Facts”).

9.2 The Tribunal noted the position.

10. Respondent’s application to adduce evidence

10.1 Mr Griffiths referred to late documentary evidence on the question of identification submitted by the Respondent and uploaded to CaseLines on 17 October 2025. He confirmed he had no objection to its inclusion in the evidence on the basis that it had been instrumental in reaching the Statement of Agreed Facts.

10.2 The Tribunal agreed to the admission of this evidence.

11. Application to withdraw allegation 1.3

11.1 Mr Griffiths applied for leave pursuant to Rule 24 of the SDPR to withdraw the allegation of manifest incompetence in paragraph 1.3 of the Rule 12 Statement, having considered Mr Levy’s Answer and upon receipt of the late evidence of identification. He submitted that, given the admissions made by Mr Levy, and having considered the additional documentation made available, it was not proportionate nor in the public interest to pursue that allegation.

11.2 Mr Griffiths confirmed that the Applicant had seen fit, on the evidence available to it at the time, to advance the allegation, as numerous indicators of potential fraud/and or money laundering, which had not been acted upon, demonstrated that there was a case to answer.

11.3 Mr Griffiths acknowledged that his rationale for seeking leave to withdraw must not amount to under-prosecution. He emphasised the seriousness of his application and referred to the authorities of Council for the Regulation Health Care Professionals, R (on the application of) 2007 v Nursing and Midwifery Council EWHC 1806 (Admin) and Council for the Regulation of Health Care Professionals v GMC & Anor [2005] EWHC 2973, in which the courts held that not pleading cases of sexual motivation and dishonesty could amount to serious procedural irregularity and under-prosecution. Mr

Griffiths submitted that manifest incompetence fell to be considered in the same vein, given the seriousness of the likely consequences if the Tribunal were to make such a finding. Mr Griffiths referred the Tribunal to paragraph 23 of SRA v Iqbal [2012] EWHC 3251 (Admin) which states,

“If in a course of conduct a person manifests incompetence [as, in my judgment, the appellant did,] then he is not fit to be a solicitor. The only appropriate remedy is to remove him from the roll.”

- 11.4 Mr Griffiths submitted that whilst the two incidents which underlay allegations 1.1 and 1.2 were proximate in time and both concerned Mr Levy’s failure to respond to indicators of potential fraud and/or money laundering, this was not a clear-cut case, as the threshold for proving manifest incompetence was high and must be more than “run of the mill professional negligence”. In support of this submission, he relied upon paragraph 106 of Wingate v SRA [2018] EWCA Civ 366:

“In applying Principle 6 it is important not to characterise run of the mill professional negligence as manifest incompetence. All professional people are human and will from time to time make slips which a court would characterise as negligent. Fortunately, no loss results from most such slips. But acts of manifest incompetence engaging the Principles of professional conduct are a different order.”

- 11.5 Mr Griffiths submitted that the Applicant had properly kept its position under review. There had been a material change on the basis of new information on identification, received from Mr Levy in the last week. This meant that the Applicant’s case, based on a complete failure to comply with money laundering obligations, could no longer be advanced. There was now evidence of client verification and Mr Levy’s established knowledge of a third-party lender, with whom there had seemed to be no connection, and evidence of checks on the source of funds. With regard to the loans to both Persons A and B, Mr Levy had shown that there was not a complete abdication of responsibility, notwithstanding his ongoing failings and misconduct.
- 11.6 Upon reviewing the new evidence, the Applicant no longer considered that EDD was definitely required in this case, even if it was impossible to determine the level of due diligence necessary in the absence of an adequate risk assessment. The Applicant also submitted that given the nature of the admissions made by Mr Levy in the last week, Mr Levy had demonstrated insight into his failings and it was no longer proportionate to the public interest to bring the case for manifest incompetence. The Applicant accordingly applied for leave to withdraw allegation 1.3.

Decision on leave to withdraw allegation

- 11.6 The Tribunal expressed concern that the application for leave, the evidence on which it was based and Mr Levy’s admissions had been submitted to the Tribunal very late, just before the substantive hearing.

- 11.7 As the Applicant considered that it had insufficient evidence to continue with its prosecution, however, the Tribunal saw no option in those circumstances but to grant leave for the Applicant to withdraw the allegation of manifest incompetence.

Witnesses

12. None

Findings of Fact and Law

13. 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 Mr Levy's right to a fair trial and to respect their private and family life under Articles 6 and 8 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

Agreed Facts for both Allegations

14. Mr Levy was instructed by lenders in relation to unregulated, secured loans provided to borrowers.
15. **Allegation 1.1 - Between approximately September 2019 and December 2019 whilst acting in loan transactions involving Person A and/or Person B the Respondent failed to identify and/or appropriately respond to one or more indicators of potential fraud and/or money laundering arising from the transaction(s) and he thereby: (1.1.1) insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019, breached any or all of Principle 4 and Principle 6 of the Principles; and (1.1.2) insofar as such conduct took place on or after 25 November 2019 he breached any or all of: (1.1.2.1) Principle 2 and Principle 7 of the 2019 Principles; and/or (1.1.2.2) Paragraph 3.3 of the Code of for Solicitors.**
- 15.1 Allegation 1.1 concerned Mr Levy's conduct in relation to purported loans provided by DPL and RML to two borrowers, Person A and Person B. The loans were secured over Properties 1 and 2 respectively.

Loan to Person A

- 15.2 In September 2019, Mr Levy was instructed to act for DPL in relation to a purported loan to Person A in the sum of £199,000.00. The solicitors acting for Person A changed without explanation mid-transaction. Mr Levy was asked to send the loan moneys to a Trust Corporation and two persons who were not the borrower, and not to a solicitor's client account, as stipulated in the facility agreement. Mr Levy accepted that he failed to identify and appropriately respond to multiple warning signs/indicators of potential fraud and/or money laundering, as set out in detail in the Statement of Agreed Facts.

Loan to Person B

- 15.3 In November 2019, Mr Levy was instructed to act on behalf of RML in respect of a loan to Person B in the sum of circa £265,000.00. The solicitors ostensibly acting for

person B were imposters. Mr Levy was asked to send the loan money to a company which was not the borrower and not to a solicitor's client account, as stipulated in the facility agreement. Some of the source funds were provided from someone who appeared to have no connection with Mr Levy's client. Mr Levy accepted that he failed to identify and appropriately respond to multiple warning signs/indicators of potential fraud and/or money laundering as set out in detail in the Statement of Agreed Facts.

- 15.4 By his failings and whether or not his actions were deliberate, Mr Levy effectively facilitated transactions that bore hallmarks of fraud and/or money laundering. The effect of Mr Levy's actions in relation to the loans to both Persons A and B was that he failed to act in his clients' best interests, thereby breaching Principles 4 and 6 of the 2011 Principles and Principles 2 and 7 of the 2019 Principles.
- 15.5 Public confidence in Mr Levy, in solicitors and in the provision of legal services was also likely to be undermined by solicitors failing to identify and act upon clear discrepancies and warning signs of fraud and/or money laundering. Failing to show such care and attention to be expected of a reasonably competent solicitor would undermine the trust and confidence that the public would place in a solicitor. Mr Levy's failings led directly to complaints of identity fraud, impacting not just on his clients but the ultimate victims, Person A and Person B.
- 15.6 Mr Levy therefore also breached paragraph 3.3 of the Code for Solicitors in that, with reference to the fact that Mr Levy had the benefit of various published guidance and warning notices, he failed to adequately maintain his competency to carry out his role and keep his professional knowledge and skills up to date.

The Tribunal's Findings

- 15.7 The Tribunal reviewed all the material before it and adopted the Statement of Agreed Facts. The Tribunal was satisfied on the balance of probabilities that Mr Levy's admissions were properly made and that the allegations were proved. The Tribunal found that Mr Levy's actions were likely to undermine public confidence in the profession by failing to identify and act upon clear discrepancies and warning signs of fraud and/or money laundering.
- 15.8 The Tribunal found that Mr Levy breached Principles 4 and 6 of the 2011 Principles and Principles 2 and 7 of the 2019 Principles. In addition, in failing to adequately maintain his competency, despite the benefit of various published guidance and warning notices, Mr Levy breached paragraph 3.3 of the Code for Solicitors.
16. **Allegation 1.2 - Between approximately September 2019 and December 2019 whilst acting in loan transactions involving Person A and/or Person B the Respondent caused or materially contributed to the Firm's failure to comply with Regulation 28 and/or Regulation 33 of the 2017 MLRs, in that: (1.2.1) CDD was not undertaken; and/or (1.2.2) appropriate information was not sought to determine whether, and to what extent, EDD was required; and/or (1.2.3) adequate EDD was not undertaken. In doing so, the Respondent thereby: (1.2.4) insofar as such conduct took place on or after 6 October 2011 but before 25 November 2019: (1.2.4.1) breached any or all of Principle 6 and Principle 7 of the 2011 Principles; and/or (1.2.4.2) failed to achieve Outcome 7.5 of the SCC 2011.**

(1.2.5) Insofar as such conduct took place on or after 25 November 2019, he breached: (1.2.5.1) Principle 2 of the 2019 Principles; and/or (1.2.5.2) Paragraph 7.1 of the Code for Solicitors.

- 16.1 Mr Levy and the Firm, with reference to the transactions he conducted in connection with Person A and Person B, were providing services within the scope of the 2017 MLRs. Mr Levy admits that he caused or materially contributed to the Firm's failure to comply with the 2017 MLRs as set out in detail in the Statement of Agreed Facts. Mr Levy did not take adequate steps to ensure the Firm did not assist in the facilitation of money laundering. Had CDD and/or EDD been conducted at the outset and the level of risk assessed, the fraudulent transactions may have been identified and prevented before the losses occurred.
- 16.2 During the course of the transactions, there were warning signs and indicators of fraud and/or money laundering in relation to both loans, which were unregulated loans taken out by individuals with reference to properties they owned, with high interest and short repayment periods. These warning signs and indicators were such that Mr Levy was required to undertake ongoing monitoring to assess and obtain further information as to the purpose and nature of the transactions and those involved in them. Mr Levy failed to do so. The nature and circumstances of Loans A and B were such that, had adequate CDD and/or ongoing monitoring been undertaken, the transactions may have been regarded as high risk for the purposes of Regulation 33 2017 MLRs. The risks and the potential for serious harm ought to have been foreseeable.
- 16.3 Mr Levy therefore breached Principles 6 and 7 of the 2011 Principles, Principle 2 of the 2019 Principles, failed to achieve Outcome 7.5 of the SCC 2011 and breached paragraph 7.1 of the Code for Solicitors.

The Tribunal's Findings

- 16.4 As regards Loans A and B, Mr Levy's conduct in failing to comply with basic money laundering regulation requirements meant that he breached Principles 6 and 7 of the 2011 Principles, Principle 2 of the 2019 Principles, failed to achieve outcome 7.5 of the SCC 2011, and breached paragraph 7.1 of the Code for Solicitors.

Previous Disciplinary Matters

17. In the matter of Solicitors Regulation Authority v (1) Mohit Chopra and (2) Paul Levy, case no. 12310 – 2022, Mr Levy was ordered to pay a fine of £5,000 plus costs in the sum of £7,500 on 20 July 2022 for breaches of the SRA Accounts Rules 2011 and 2019, and of Principles 6 and 10 of the SRA Principles 2011.

Mitigation

18. Mr Levy stated that he took full responsibility for his failings and made no attempt to diminish the seriousness of his breaches. He asked the Tribunal to consider the following submissions in mitigation:
- There were no allegations of dishonesty or recklessness; this matter concerned the less serious matters of negligence and failure to identify warning signs. There was

no deliberate wrongdoing and Mr Levy did not personally deceive anyone. He was himself deceived and manipulated by sophisticated criminals. He had cooperated with the Applicant, saving time and resources by making admissions and avoided the need for a contested hearing.

- Mr Levy had acted in his client's best interests, apart from failing to identify fraud. He had visited Property 2 to verify the secured loan transaction. The Applicant had not had access to Mr Levy's full file, which supported this submission. He referred to evidence that relevant insurance documentation had been procured just days before the transaction. He drafted all the documentation professionally. The transactions were standard and UK-based, and there was nothing to suggest the need for EDD.
- Mr Levy believed that Person C, who was an established property owner, personally financially exposed and with a business reputation to maintain, had conducted all necessary due diligence; he was someone with whom Mr Levy had completed multiple transactions over many years. Mr Levy acknowledged that his reliance on Person C was misplaced and was a fundamental error of judgement. Mr Levy also submitted that Person I was well known to him and that he had produced evidence in support. He stated that he had carried out an identification check on RML, the only party he did not know.
- Mr Levy's sole failing was not spotting the fraud. He alleged that his client had suffered no financial loss, on the basis that charges were registered against the properties and his clients were protected by professional indemnity insurance against fraud; public confidence was not impacted because the harm caused was hypothetical and not actual; and the seriousness of the breaches was reduced in the face of genuine error.
- The frauds in this matter were sophisticated – Zoi Bilderberg was a genuine firm of solicitors which had certified identification documents. Mr Levy had had previous dealings with Cranbrook, which explained why he did not take active steps to verify the firm's validity. Mr Levy took active steps to verify the legitimacy of the property on which Loan B was secured by visiting the property and securing insurance, in which his client had an interest, before the transaction completed. Person B, who claimed identity fraud, may not have been genuine and may have been complicit in the fraud.
- Mr Levy had undergone personal and professional development since the incidents took place in 2019. His direct experience of money laundering had led him to undertake extensive Anti Money Laundering ("AML") training and he was the money laundering reporting officer ("MLRO") for his current firm. He stated that he had also delivered AML training to others. He had also had time to reflect on the need for sufficient oversight of all his matters when assisted by unqualified staff and when working in a small firm.
- Mr Levy noted the passage of time and the evolution of standards in the regulatory landscape since the incidents took place. He stated that SRA warnings about matter risk assessments had not been issued until 2023. Whilst acknowledging that he

should have had a written risk assessment in place, he noted that he may still have carried out a risk assessment.

- With regard to Mr Levy's previous record before the Tribunal, this arose from strict liability breaches of the Accounts Rules in a situation where he was a non-equity partner. The first respondent in that matter was an equity partner. The SDT had accepted that there was no personal misconduct on the part of Mr Levy.
- The proceedings had had a devastating personal impact as they had been stressful for many years, creating a severe and long-lasting impact on his mental health. The combination of professional disgrace and personal victimisation had been extremely difficult to bear, together with the stress of being unrepresented. Mr Levy had already paid a heavy price. Mr Levy was also aware that he had let down others in the Firm.
- Any sanctions should be proportionate to his culpability and to his ability to pay.

Sanction

19. The Tribunal referred to its Guidance Note on Sanctions (11th edition – February 2025) when considering sanction. The Tribunal's overriding objective, when considering sanction, was the need to maintain public confidence in the integrity of the profession. In determining sanction, it was the Tribunal's role to assess the seriousness of the proven misconduct and to impose a sanction that was fair and proportionate in all the circumstances.
20. The Tribunal determined that Mr Levy's misconduct was serious, given the importance of the MLRs 2017, for both the reputation of the profession and, most importantly, for the protection of the public. The misconduct occurred twice in rapid succession and that, whilst Mr Levy had accepted responsibility, he had persisted in apportioning some of the blame to others. Mr Levy had also failed to learn from the previous time he had appeared before the Tribunal in 2022, for breaches of the Solicitors Accounts Rules.
21. This was a matter of regular client work where Mr Levy, an experienced solicitor, had full control of the transactions. Where there were red flags, he should have asked the right questions. He should have been alerted to fraud and/or money laundering by the fact that both loans had high interest rates and short repayment periods. Mr Levy potentially misled the regulator by only providing relevant information shortly before the substantive hearing. There was an impact on those affected by these transactions and the Tribunal did not accept that insurance was a proper or adequate solution. Had Mr Levy conducted adequate due diligence, insurance claims would not have been required. The purpose of insurance is not to protect the public against professional misconduct. The Tribunal also did not accept that it could look beyond the sworn statement of Person B given in the proceedings. The Tribunal accepted that harm was not intended but found that it was foreseeable.
22. In mitigation, the Tribunal accepted that Mr Levy had shown a level of cooperation with the Applicant and had demonstrated a degree of insight into his misconduct. He had undertaken training in the MLRs 2017, although he had failed to provide any certificates of training.

23. The Tribunal determined that, given the nature of the seriousness of the matters found proven, sanctions such as No Order or a Reprimand were inappropriate and disproportionate. The Tribunal determined that Mr Levy's misconduct had escalated since the matters determined before the Tribunal in 2022 and that the appropriate and proportionate sanction was a financial penalty that was higher on this occasion. The Tribunal carefully assessed the seriousness of the misconduct, such that it fell within the middle of its Indicative Fine Band Level 3 (£10,001 - £20,000) and determined that a fine in the sum of £15,000 was appropriate and proportionate to the level of seriousness of the misconduct.
24. The Tribunal heard submissions from Mr Levy and considered whether restrictions on Mr Levy's practising certificate were necessary to ensure the protection of the public and the reputation of the legal profession from future harm. The Tribunal determined that no restrictions on Mr Levy's ability to practice were necessary in circumstances where the Applicant accepted, on 7 July 2023, that Mr Levy was capable of holding the position of registered MLRO for his current firm.

Costs

25. Mr Griffiths applied for costs in the sum of £35,386.90. He submitted that costs should be awarded to the Applicant on the basis that allegations 1.1 and 1.2 had been proved and in accordance with Rule 43(4) SDPR. Mr Griffiths submitted that the late application to withdraw allegation 1.3 was not consequential on the question of costs and arose as a result of late submission of new information by Mr Levy.
26. Mr Griffiths noted that Mr Levy had an income that was not inconsiderable and that he was a property-owner. In response Mr Levy noted that his home was jointly owned with his wife and was not in good condition. He also submitted that he had dependent children whom he was funding through education. Mr Levy referred to his Statement of Means and submitted that a fine in the higher ranges would cause hardship. He asked that his means be taken into account when determining a financial penalty.
27. The Tribunal was satisfied that Mr Levy had sufficient means to pay the fine and costs, given his disposable income and the equity in his share of the property. It did not regard the withdrawal of the Allegation 1.3 as significant to the overall position, given that this was withdrawn as quickly as possible after new evidence and admissions were made. The Tribunal determined that costs in the sum of £35,386.90 were reasonable and proportionate in all the circumstances.

Statement of Full Order

28. The Tribunal ORDERED that the Respondent, PAUL EDMUND LEVY, solicitor, do pay a fine of £15,000.00, such penalty to be forfeit to His Majesty the King, and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £35,386.90.

Dated this 6th day of November 2025
On behalf of the Tribunal

A Kellett

A. Kellett
Chair