SOLICITORS DISCIPLINARY TRIBUNAL

<u>IN THE MATTER OF THE SOLICITORS ACT 1974</u> <u>Case No. 12807-2025</u>

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD Applicant

and

GORDON MCPHERSON KEIR Respondent

Before:

Mr G Sydenham (in the chair)
Ms G Palmiero
Mrs C Valentine

Dates of Hearing: 30 June – 2 July 2026

Appearances

Thomas Walker, barrister, employed by Blake Morgan LLP, One Central Square, Cardiff, CF10 1FS (instructed by the Applicant).

Susanna Heley, solicitor, Russell Cooke Solicitors, 8 Bedford Row, London WC1R 4BX (instructed by the Respondent).

JUDGMENT

Allegations

1. The allegations against the Respondent, Gordon Mcpherson Keir ("the Respondent"), made by the SRA, are that, while in practice at Hadgkiss Hughes & Beale ("the Firm") as a manager, and as its Compliance Officer for Finance and Administration ("COFA") and Compliance Officer for Legal Practice ("COLP"):

1.1 He provided inaccurate information on Professional Indemnity Insurance ("PII") proposal form/s, by answering "*No*" in response to a question as to whether the Firm's accounts had been qualified within the last five years, on any or all of the following dates:

1.1.1. 23 August 2018.

1.1.2. 6 March 2020.

1.1.3. 25 February 2021.

1.1.4. 14 February 2022.

and thereby breached any or all of:

1.1.5. In respect of conduct before 25 November 2019

1.1.5.1. Principle 2 and 6 of the SRA Principles 2019

1.1.6. In respect of conduct on or after 25 November 2019:

1.1.6.1. Principles 2, and 5 of the SRA Principles 2019

1.2 Between 1 January 2015 and 31 December 2024, the Firm failed to comply with its obligations under the SRA Accounts Rules 2011 and / or SRA Accounts Rules 2019:

1.2.1. As a manager of the Firm, he was liable for those breaches by reason of Rule 6.1 SRA Accounts Rules 2011 and SRA Accounts Rules 2019; and / or

1.2.2. As COFA of the Firm, he failed to take all reasonable steps to ensure that the Firm, its manager, and employees, complied with its obligations under those rules.

1.2.3. In respect of conduct before 25 November 2019: 1.2.3.1. Rules 14.3 and 14.4 of the SRA Accounts Rules 2011; and 1.2.3.2. Principles 4, 5, 6, 7 and 10 of the SRA Principles 2011.

1.2.3.1. Rules 14.3 and 14.4 of the SRA Accounts Rules 2011; and

1.2.3.2. Principles 4, 5, 6, 7 and 10 of the SRA Principles 2011.

1.2.4. In respect of conduct on or after 25 November 2019:

1.2.4.1. Rule 2.5 of the SRA Accounts Rules 2019.

1.2.4.2. Paragraph 3.2 and 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019.

1.2.4.3. Paragraph 9.2 (a) of the SRA Code of Conduct for Firms 2019; and

12.4.4. Principles 2 and 7 of the SRA Principles 2019.

1.3 Did not ensure the Firm delivered to the SRA the qualified Accountant's Report ("AR") for the accounting period between:

1.3.1. 1 February 2019 and 31 January 2020, until 3 September 2021; and / or

1.3.2. 1 February 2020 and 31 January 2021, until 1 August 2022.

1.3.3. Rule 12.1 of the SRA Accounts Rules 2019.

1.3.4. Paragraph 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019.

1.3.5. Paragraph 9.2 (a) of the SRA Code of Conduct for Firms 2019; and

1.3.6. Principle 2 of the SRA Principles 2019.

1.4 On or before 25 January 2023, did not ensure that the Firm acted in accordance with Rule 5.1 of the SRA Accounts Rules 2019 when it paid client money in the sum of £10,868.45 from its client account to a third party, and thereby breached any or all of:

1.4.1. Paragraph 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019; and

1.4.2. Paragraph 9.2 of the SRA Code of Conduct for Firms 2019.

Executive Summary

2. The Respondent is a solicitor admitted to the Roll on 1 October 1985 who, at all material times, was an Equity Partner, Compliance Officer for Finance and Administration ("COFA") and Compliance Officer for Legal Practice ("COLP") at Hadgkiss Hughes & Beale ("the Firm").

3. The proceedings arose from concerns identified during a forensic investigation commenced by the Solicitors Regulation Authority ("SRA") in November 2022, following a series of qualified Accountant's Reports submitted by the Firm over a number of years. The investigation led to allegations concerning professional indemnity insurance proposal forms, the Firm's compliance with the SRA Accounts Rules, the late submission of qualified Accountant's Reports and the withdrawal of client money without prior SRA authority.

4. In relation to Allegation 1.1, the Applicant alleged that on four occasions between 2018 and 2022 the Respondent signed professional indemnity insurance proposal forms

which incorrectly stated that the Firm's accounts had not been qualified within the preceding five years. It was common ground that those answers were inaccurate. The Respondent accepted responsibility for signing the forms and accepted that the answers should have been different. However, he maintained that the inaccuracies resulted from inadvertent error rather than any deliberate attempt to mislead insurers.

5. At the commencement of the hearing, the Applicant applied for permission to withdraw the allegations of dishonesty and misleading conduct advanced in connection with Allegation 1.1. The Applicant's position was that the Respondent's conduct was more appropriately characterised as raising issues of integrity and professional standards rather than dishonesty.

6. Allegation 1.2 concerned the Firm's compliance with the SRA Accounts Rules between 2015 and 2024. The Applicant relied upon repeated qualifications in Accountant's Reports and findings made during the forensic investigation to allege that the Firm retained client money after any proper reason for doing so had ceased and that the Respondent, as COFA, failed to take all reasonable steps to ensure compliance with the Firm's regulatory obligations.

7. The Respondent disputed significant aspects of Allegation 1.2. Whilst accepting that breaches of the Accounts Rules occurred, he contended that the Applicant had failed adequately to establish the basis of many of the alleged residual balance breaches and had not properly identified what further reasonable steps he ought to have taken in his capacity as COFA.

8. Allegations 1.3 and 1.4 related respectively to the late submission of two qualified Accountant's Reports and the transfer of client money to a charity without prior SRA authorisation. The Respondent admitted the underlying Accounts Rules breaches but disputed the extent of his personal culpability and relied upon the surrounding circumstances, including the impact of the Covid-19 pandemic and the actions of others within the Firm.

9. Accordingly, the principal issues for determination were whether the Respondent's conduct in relation to the insurance proposal forms amounted to a lack of integrity; the extent of his personal responsibility, as COFA, for the Firm's repeated Accounts Rules breaches; and the seriousness of the admitted regulatory failings established by Allegations 1.3 and 1.4.

Sanction

10. The Tribunal imposed a Reprimand on the Respondent and further imposed a restriction preventing him from acting as COFA for a period of 12 months. The Tribunal further directed that before acting as COFA again, he must undertake an SRA-approved COFA training course. The Tribunal’s reason on sanction can be found [here].

Documents

11. The Tribunal considered all of the documents in the case including:

(a) The Applicant's Amended Rule 12 Statement dated 24 July 2025 as amended and re-filed on 2 July 2026, and exhibits.

(b) The Respondent's Answer to the Rule 12 Statement dated 23 September 2025.

(c) The witness statement of Claire Griffin dated 14 July 2025 and exhibits.

(d) The witness statement of Elizabeth Cottrill dated 7 November 2025 and exhibits.

(e) The witness statement of Gordon McPherson Keir dated 12 May 2026 and exhibits; and

(f) The witness statement of Timothy McNulty dated 8 May 2026.

Preliminary Matters

12. At the commencement of the hearing, the Applicant applied to withdraw:

(a) the allegation that the Respondent's conduct in relation to Allegation 1.1 was dishonest; and

(b) the allegation that the Respondent had breached paragraph 1.4 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019 by misleading insurers.

13. The Applicant submitted that, having reviewed the evidence, the Respondent's conduct was more appropriately characterised as raising issues of integrity and professional standards rather than dishonesty. The Respondent did not oppose the application.

14. The Tribunal was satisfied that the proposed withdrawal was appropriate and granted the Applicant's application. The allegations of dishonesty and breach of paragraph 1.4 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019 were therefore withdrawn and the Rule 12 Statement amended accordingly. Those allegations did not fall for determination.

15. Prior to the commencement of evidence, the Tribunal made an anonymity order pursuant to Rule 35(9) SDPR 2019.

16. The Tribunal directed that the identities of the individuals identified in the Schedule to the Order should not be disclosed during the proceedings and that those individuals should be referred to only by the anonymised designations specified in the Schedule. The Order applied to the proceedings, any transcript, the judgment, and any other publicly available case materials released by the Tribunal. The protected persons comprised Clients A to U and Partner A.

Factual Background

17. The Respondent was admitted to the Roll as a Solicitor on 1 October 1985.

18. He is an Equity Partner of the Firm; the Firm's COFA and COLP and held these roles throughout the relevant period.

19. The Respondent has a current practising certificate free from conditions.

Witnesses

20. The written and oral evidence of witnesses is quoted or summarised in the Findings of Fact and Law below. The evidence referred to will be that which was relevant to the findings of the Tribunal, and to facts or issues in dispute between the parties. For the avoidance of doubt, the Tribunal read all of the documents in the case and made notes of the oral evidence of all witnesses.

21. The following witnesses gave oral evidence during the hearing:

(a) Claire Griffin, for the Applicant.
(b) Elizabeth Cottrill, for the Applicant.
(c) Timothy McNulty, for the Respondent; and
(d) The Respondent.

22. <u>The Oral Evidence of Claire Griffin</u>

22.1 The witness gave evidence during the proceedings, the summary of which is set out below:

(a) The witness was a Forensic Investigation Officer employed by the SRA. She commenced employment with the SRA in 2021, and her work principally involved investigating compliance with the SRA Accounts Rules. She conducted the forensic investigation of the Firm which culminated in the forensic investigation report dated 15 March 2023.

(b) The investigation arose from qualified Accountant's Reports submitted in respect of the Firm over a number of years. The witness dealt principally with the Respondent, who she found to be cooperative, helpful, and responsive throughout the investigation. No formal interviews were conducted, and the witness considered the responses provided by the Respondent to be adequate for the purposes of the investigation.

(c) The witness relied upon the qualified Accountant's Reports as part of the background to the investigation but did not make separate enquiries of the reporting accountants regarding the methodology used to identify old balances or the balances referred to within those reports.

(d) The witness reviewed a sample of 17 matters selected principally by reference to the age of balances and the value of client money retained. The review included a consideration of client ledgers, file material and explanations provided by the Firm regarding the continued retention of client money. The witness distinguished between the date of the last ledger movement and the date upon which work was last undertaken on a matter and therefore reviewed the underlying files rather than relying solely upon ledger movement.

(e) The witness did not consider it her role to advise upon the appropriateness of compliance systems adopted by firms. Where action plans, monitoring processes or remedial measures were said to exist, she sought documentary evidence of their operation. The investigation did not identify deficiencies in the Firm's financial management or accounting systems beyond the matters recorded within the forensic investigation report. The Firm's reconciliations balanced and no other accounting irregularities were identified. However, the investigation identified concerns regarding the prolonged retention of client money in a number of matters, which formed the basis of the allegations relating to compliance with the Accounts Rules.

(f) The witness also reviewed the professional indemnity insurance proposal forms and established that the relevant forms contained negative responses to the question concerning qualified Accountant's Reports and bore the Respondent's name. Enquiries regarding those forms were directed to the Respondent and his written explanations were considered during the investigation. No enquiries were made of either the relevant broker or insurer.

23. The Oral Evidence of Elizabeth Cottrill

23.1 The witness gave evidence during the proceedings, the summary of which is set out below:

(a) The witness was a registered auditor and accountant who specialised in the auditing of SRA-regulated firms and became principally responsible for Jerroms' audits of the Firm from the 2019 accounting year onwards, having initially worked alongside a retiring colleague during the 2018/19 audit. Her primary points of contact at the Firm were the Respondent and the Firm's Head Cashier, Neil Sumner.

(b) Audits were undertaken by specialist staff within Jerroms who worked with SRA-regulated firms. The audit process involved identifying non-moving client account balances through the Firm's accounting systems and selecting a sample of those matters for further review. Not all non-moving balances represented breaches of the Accounts Rules and further investigation was required to determine whether a proper reason remained for retaining the fund.

(c) The delays in producing the 2019/20 and 2020/21 Accountant's Reports occurred during the Covid-19 pandemic. The auditing of paper files was significantly affected by restrictions then in force and a substantial amount of audit work had to be undertaken remotely. The circumstances affected both the auditors and the Firm, and no individual was identified as being particularly culpable for the delays.

(d) A balance was treated as a residual balance where a matter appeared to be complete and no proper reason for the continued retention of client money could be identified. Probate matters frequently remained open for lengthy periods whilst awaiting information or action from third parties and the existence of a non-moving balance did not of itself establish a breach of the Accounts Rules.

(e) During the audit for the year ending January 2023, a total of 223 matters were identified as non-moving balances. Of those matters, 11 were reviewed. Three were found to contain residual balances and eight were not found to be in breach. The remaining matters were not tested. The highest value balances were selected for review because they represented the greatest potential audit risk.

(f) During the audit for the year ending January 2025, the audit methodology was varied and all identified non-moving balances were reviewed. Of the 79 matters examined, 18 were found to contain residual balances, 10 were treated as residual balances because insufficient information was available to explain the retention of funds, three involved missing files and 48 were not found to be in breach. Similar proportions of non-moving balances and residual balances may have been present in earlier years, although equivalent analysis had not been undertaken.

(g) Following completion of each audit, discussions took place with the Firm regarding the findings and potential remedial measures. Consideration was given to reducing the number of old balances, reviewing higher value matters, allocating responsibility to fee earners and, where appropriate, considering charitable payment procedures for smaller balances. Such discussions occurred on numerous occasions over the years.

(h) The Firm's client money remained reconciled and identifiable to individual matters. The client money held by the Firm could be accounted for and was not considered to be at risk of loss or misappropriation. The principal concern was that client money was, in some instances, retained after the proper purpose for holding it had expired. This created an administrative and regulatory risk because clients did not have the benefit of funds that ought to have been returned and, over time, it could become more difficult to trace or contact the relevant recipients.

(i) The Respondent accepted the conclusions contained within the Accountant's Reports, was cooperative and receptive to advice and engaged in discussions regarding measures intended to improve compliance and reduce the number of old balances.

24. <u>The Oral Evidence of Timothy McNulty</u>

24.1 The witness gave evidence during the proceedings, the summary of which is set out below:

(a) The witness was an insurance broker who had acted for the Firm since 2001 and had worked with the Respondent in a professional capacity for many years. He described the relationship as a long-standing professional relationship rather than a social friendship.

(b) The witness became aware of the issues concerning the professional indemnity insurance proposal forms following notification by the Respondent during the SRA investigation. Before that time, neither he nor the insurer had been aware that the Firm's Accountant's Reports had been qualified over a number of years.

(c) Following disclosure of the issue, discussions took place with the insurer regarding the inaccurate responses given on the proposal forms. The witness considered the errors to be a genuine oversight and communicated that view to the insurer. The insurer accepted the explanation, continued to provide cover, did not withdraw renewal terms, did not impose additional conditions and did not increase the premium as a consequence of the non-disclosure.

(d) The witness explained that insurers assess risk by reference to a range of factors including claims history, fee income, and areas of practice. The existence of qualified Accountant's Reports formed part of the risk assessment process but, in his experience, was generally not among the most significant underwriting considerations.

(e) The witness accepted that the question concerning qualified Accountant's Reports was relevant to an insurer's assessment of risk and should be answered accurately. However, based upon his knowledge of the Firm, his dealings with the insurer and the insurer's subsequent response when informed of the position, he considered that disclosure of the qualified Accountant's Reports would not have altered the insurer's decision to provide cover.

Findings of Fact and Law

25. The Applicant was required by Rule 5 of the Solicitors (Disciplinary Proceedings) Rules 2019 to prove the allegations to the standard applicable in civil proceedings namely the balance of probabilities. The Tribunal had due regard to its statutory duty under section 6 of the Human Rights Act 1998.

26. For the avoidance of doubt, the Tribunal read all of the documents in the case and made notes of the oral evidence of all witnesses. The absence of any reference to particular evidence should not be taken as an indication that the Tribunal did not read, hear or consider that evidence.

27. Where the Tribunal was required to consider whether conduct amounted to a breach of the applicable Principles or Rules, it had regard to the guidance of the Court of Appeal in *Wingate v Solicitors Regulation Authority* [2018] EWCA Civ 366 in respect of integrity.

28. In considering each allegation, the Tribunal first determined whether the underlying facts were proved. It then considered whether any established conduct was sufficiently serious to amount to professional misconduct, applying the approach in *Dentons UK and Middle East LLP v SRA Ltd* [2026] EWCA Civ 508. Only where that threshold was met did the Tribunal go on to consider breach of the Principles and, if appropriate, the question of sanction.

29. **The Applicant's Case**

29.1 The Applicant's case in respect of the allegations is set out in the Applicant's Rule 12 Statement. The Rule 12 Statement is available [here].

29.2 In summary, the Applicant's case was that, as COFA and COLP, the Respondent bore personal responsibility for ensuring the Firm's compliance with its regulatory obligations. The Applicant alleged that the repeated completion of inaccurate PII proposal forms undermined public trust in the profession and amounted to a lack of integrity. The Applicant further alleged that the persistent residual balance issues, repeated qualifications in Accountant's Reports, late delivery of qualified Accountant's Reports and the unauthorised payment of client money to charity demonstrated failures by the Respondent to take all reasonable steps to ensure compliance with the SRA's regulatory arrangements and the SRA Accounts Rules.

30. **The Respondent's Position and Evidence – Allegations 1.1 – 1.4**

30.1 The Respondent's position and response in respect of the allegations against him are set out in the Respondent's Answer to the Rule 12 Statement [here].

30.2 In addition, the Respondent gave evidence during the proceedings. A summary of his evidence is set out below:

Allegation 1.1 – Professional Indemnity Insurance Proposal Forms

(a) The Respondent had responsibility for completing and submitting the Firm's professional indemnity insurance proposal forms. Information was gathered with assistance from the Firm's Head Cashier and compliance consultant, following which the Respondent reviewed and submitted the completed forms. He accepted that the answers provided concerning qualified Accountant's Reports on four proposal forms between 2018 and 2022 were inaccurate and accepted personal responsibility for those inaccuracies.

(b) The Respondent stated that he only became aware of the inaccuracies during the forensic investigation. He described his reaction as one of shock and maintained throughout that the incorrect answers were the result of genuine mistake rather than any deliberate attempt to mislead insurers. He accepted that the forms should have disclosed the existence of qualified Accountant's Reports and that insurers were entitled to accurate information when assessing risk.

Allegation 1.2 – Residual Balances and COFA Responsibilities

(c) The Respondent accepted that the Firm's Accountant's Reports had been qualified over a number of years and that concerns regarding residual balances had repeatedly been raised by the Firm's reporting accountants. He explained that, following discussions with the accountants in 2017, a system was introduced whereby fee earners received regular lists of matters with client balances and were required to review and report upon them. He maintained that this process remained in place throughout the relevant period.

(d) The Respondent explained that responsibility for reviewing individual matters rested primarily with the relevant fee earners, who were expected to examine files and identify the reasons for any retained client money. He understood from the feedback provided to him that those reviews were being undertaken and that action was being taken to reduce old balances.

(e) The Respondent accepted that no formal written action plan existed. He explained that the approach adopted was to work through balances in conjunction with the Firm's Head Cashier and the relevant fee earners. He maintained that progress had been made over time but accepted that greater formality, monitoring and record-keeping would have been preferable.

(f) The Respondent accepted that some genuine residual balances existed within the Firm and accepted that, with hindsight, he should have taken a more robust approach to ensuring that fee earners complied with the measures introduced to address the issue. He attributed some of the difficulties encountered to resourcing issues within the accounts department and the challenges involved in reviewing individual matters.

Allegation 1.3 – Late Submission of Accountant's Reports

(g) In relation to the late submission of the qualified Accountant's Reports for the periods ending January 2020 and January 2021, the Respondent explained that the delays arose during the Covid-19 pandemic. His recollection was that the Firm's accountants requested additional time because of the practical difficulties associated with conducting audits during that period. He accepted that extensions had been agreed between the Firm and the accountants without obtaining the approval of the SRA and acknowledged that SRA approval should have been sought.

Allegation 1.4 – Charity Payment

(h) The Respondent explained that all Partners had authority to make decisions concerning payments within their areas of responsibility and that the payment which formed the subject of Allegation 1.4 had been authorised by Partner A. He believed that the payment had been made in an attempt to address longstanding client balance issues. He accepted that prior SRA authority should have been obtained before the payment was made.

(i) Throughout his evidence, the Respondent accepted responsibility for the inaccuracies in the professional indemnity insurance proposal forms, the late submission of the Accountant's Reports, shortcomings in the Firm's approach to residual balances and the failure to obtain prior SRA authority before the charitable payment was made. He accepted that, with hindsight, he should have taken a more robust approach in a number of respects. He maintained, however, that he had acted in good faith, had sought to address the issues identified by the Firm's accountants and the SRA, and that none of the matters relied upon by the Applicant involved deliberate wrongdoing.

Matters Agreed and Matters in Issue

30.3 Before turning to the individual allegations, the Tribunal considered it helpful to identify the principal matters that were agreed between the parties and those that remained in dispute. In respect of those matters, the Tribunal concluded as follows:

(a) In relation to Allegation 1.1 it was common ground that the Respondent had signed and submitted four professional indemnity insurance proposal forms which inaccurately stated that the Firm's accounts had not been qualified within the preceding five years. The Respondent accepted responsibility for the forms and accepted that the answers should have been different.

(b) Against that background, the principal issue in relation to Allegation 1.1 for the Tribunal was therefore whether the repeated inaccuracies amounted to a lack of integrity or whether the admitted public trust breaches adequately reflected the seriousness of the conduct.

(c) In relation to Allegation 1.2, the Respondent accepted that breaches of the Accounts Rules had occurred but disputed the extent of the alleged residual balance breaches and contended that he had taken reasonable steps, in his capacity as COFA, to secure compliance.

(d) The principal issues arising from those admissions were therefore whether the Applicant had established the extent of the Accounts Rules breaches alleged and whether the Respondent had failed to take all reasonable steps to ensure compliance.

(e) In relation to Allegation 1.3, the Respondent admitted that the relevant Accountant's Reports were delivered late and accepted responsibility for those failures.

(f) In those circumstances, the principal issue was whether, notwithstanding the admitted breaches, the conduct was sufficiently serious, viewed in the context of the Covid-19 pandemic and the surrounding circumstances, to justify the further breaches alleged.

(g) In relation to Allegation 1.4, the Respondent accepted that the payment made to charity had been made without the requisite prior SRA authorisation.

(h) The remaining issue was therefore whether, and to what extent, the Respondent bore personal responsibility in his capacity as COFA for the failure to obtain prior SRA authorisation and whether the established facts amounted to breaches of Paragraph 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs and/or Paragraph 9.2(a) of the SRA Code of Conduct for Firms.

31. **The Tribunal's Findings**

Allegation 1.1 – Professional Indemnity Insurance Proposal Forms

31.1 The Tribunal found the factual particulars of Allegation 1.1 proved.

31.2 The Respondent accepted that he had signed and submitted four professional indemnity insurance proposal forms between 2018 and 2022 which inaccurately stated that the Firm's accounts had not been qualified within the preceding five years. The Tribunal was satisfied that the answers were plainly inaccurate, that the Respondent was responsible for the completion and submission of the forms and that he ought to have disclosed the existence of the qualified Accountant's Reports.

31.3 The Tribunal further found that the inaccuracies were repeated over a period of several years despite the Respondent's knowledge that the Firm's Accountant's Reports had been qualified. The Tribunal accepted that the proposal forms were important documents provided to insurers for the purpose of assessing risk and that insurers were entitled to receive accurate information in response to the questions posed.

31.4 The Tribunal reminded itself that not every breach of a regulatory requirement will amount to professional misconduct. Applying Dentons, the Tribunal considered whether the conduct in question was sufficiently serious to justify a finding of professional misconduct. The Tribunal was satisfied that the repeated submission of inaccurate information to insurers over a period of several years, in circumstances where the Respondent bore responsibility for the completion and submission of the proposal forms, readily crossed the threshold of seriousness.

31.5 The Tribunal then considered whether the conduct established a lack of integrity. The Tribunal reminded itself that integrity is not synonymous with negligence, carelessness, or error, as recognised in *Wingate*, the duty of integrity, despite requiring high standards of the profession, does not require solicitors to be "paragons of virtue" and is concerned with adherence to the ethical standards expected of the profession. The Tribunal also bore in mind that careless conduct may undermine public confidence without necessarily amounting to a lack of integrity.

31.6 The Tribunal considered that the repeated nature of the inaccuracies demonstrated a serious lack of care and a failure to exercise the degree of scrutiny required when completing professional indemnity insurance proposal forms. However, the Tribunal was not persuaded that the conduct crossed the line between carelessness, even repeated carelessness, and a departure from the ethical standards of the profession sufficient to establish a lack of integrity.

Breaches

31.7 The Tribunal therefore found:

(a) That the conduct admitted and found proved in Allegation 1.1 did not amount to a lack of integrity. Accordingly, the alleged breaches of Principle 2 of the SRA Principles 2011 and Principle 5 of the SRA Principles 2019 were not proved.

(b) That the conduct admitted and found proved in Allegation 1.1 did amount to conduct which undermined public trust and confidence in the solicitors' profession during the relevant periods. Accordingly, Principle 6 of the SRA Principles 2011 and Principle 2 of the SRA Principles 2019 were proved.

Allegation 1.2– Residual Balances and COFA Responsibilities

31.8 The Tribunal found the factual particulars of Allegation 1.2 proved.

31.9 The Tribunal accepted the evidence of the reporting accountants and the Forensic Investigation Officer that the Firm experienced longstanding issues concerning old balances and non-moving balances and residual balances over a number of years. The

Tribunal further accepted that concerns relating to those matters were repeatedly identified in successive qualified Accountant's Reports.

31.10 The Tribunal acknowledged that not every matter identified within the Accountant's Reports or during the investigation represented a genuine residual balance. It also accepted the Respondent's submission that some matters remained active and that some balances were retained for legitimate reasons. However, the Tribunal was satisfied that genuine residual balances existed within the Firm throughout the relevant period and that repeated breaches of the Accounts Rules had therefore occurred.

31.11 The Tribunal accepted that steps had been taken to address the problem, including the circulation of balances to fee earners, discussions with the reporting accountants and efforts to reduce outstanding balances. The Tribunal also accepted that some progress was made over time. However, the Tribunal noted the Respondent's own concessions that no formal written plan existed, that compliance was not adequately monitored or recorded and that, with hindsight, he should have taken a more robust approach.

31.12 The Tribunal was satisfied that the Respondent's responsibilities as COFA required more than identifying the existence of the problem and relying upon fee earners to address it. Whilst the Tribunal accepted that the Firm was heavily partner-led and that responsibility was shared amongst a number of individuals, the Respondent bore primary responsibility for ensuring compliance with the Accounts Rules. The Tribunal concluded that the systems in place, and the Respondent's oversight of those systems, fell short of the standard required and that he had failed to take all reasonable steps to ensure compliance with the Firm's regulatory obligations.

31.13 Applying *Dentons*, the Tribunal was satisfied that the persistent nature of the residual balance issues, the repeated qualification of the Firm's Accountant's Reports and the Respondent's failure, in his capacity as COFA, to take all reasonable steps to ensure compliance with the Accounts Rules rendered the conduct sufficiently serious to amount to professional misconduct.

Breaches

31.14 Accordingly, the Tribunal found that the conduct admitted and found proved in Allegation 1.2:

(a) amounted to breaches of Principles 4, 5, 6, 7 and 10 of the SRA Principles 2011 (acting in the best interests of clients; providing a proper standard of service; maintaining the trust the public places in solicitors and in the provision of legal services; complying with legal and regulatory obligations; and protecting client money and assets).

(b) amounted to breaches of Principles 2 and 7 of the SRA Principles 2019 (failing to uphold public trust and confidence in the solicitors' profession and failing to act in the best interests of clients).

(c) amounted to breaches of Rule 2.5 of the SRA Accounts Rules 2019 (failing to ensure that client money was returned promptly or otherwise dealt with appropriately).

(d) amounted to breaches of Paragraphs 3.2 and 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs and Paragraph 9.2(a) of the SRA Code of Conduct for Firms 2019 (failing to ensure compliance with the SRA's regulatory arrangements and failing to take effective steps to ensure that appropriate systems and controls were in place to secure such compliance).

Allegation 1.3 – Late Submission of Accountant's Reports

31.15 The Tribunal found the factual particulars of Allegation 1.3 proved.

31.16 The Respondent accepted that the Accountant's Reports for the relevant accounting periods were delivered late and accepted responsibility for those failures.

31.17 The Tribunal accepted the Respondent's evidence that the delays occurred during the Covid-19 pandemic and further accepted that practical difficulties arose in completing and finalising the reports during that period. The Tribunal also acknowledged that extensions had been agreed between the Firm and its reporting accountants.

31.18 However, the Tribunal was satisfied that the obligation to obtain the SRA's approval for any extension remained. The Respondent accepted that such approval had not been sought. The Tribunal was therefore satisfied that breaches of the Accounts Rules had occurred therefore Allegations 1.3.1 and 1.3.2 were proved.

31.19 The Tribunal further found that the Respondent had thereby breached Rule 12.1 of the SRA Accounts Rules 2019, Paragraph 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019 and Paragraph 9.2(a) of the SRA Code of Conduct for Firms 2019.

31.20 The Tribunal also considered Principle 2 of the SRA Principles 2019. It reminded itself that not every breach of a regulatory requirement will carry the same level of seriousness and had regard to the approach in Dentons. The Tribunal took into account the exceptional circumstances arising from the Covid-19 pandemic, the fact that extensions had been agreed with the reporting accountants and the absence of any deliberate disregard of regulatory obligations. In those circumstances, whilst the Tribunal found the breaches proved, it assessed this aspect of the misconduct as being at the lower end of seriousness.

<u>Breaches</u>

31.21 Accordingly, the Tribunal found that the conduct admitted and found proved in Allegation 1.3:

(a) amounted to a breach of Rule 12.1 of the SRA Accounts Rules 2019.

(b) amounted to breaches of Paragraph 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs 2019 and Paragraph 9.2(a) of the SRA Code of Conduct for Firms 2019; and

(c) amounted to a breach of Principle 2 of the SRA Principles 2019, although the Tribunal regarded the conduct. Viewed in the context of the Covid-19 pandemic and the surrounding circumstances, as being at the lower end of seriousness.

Allegation 1.4 – Charity Payment

31.22 The Tribunal found the factual particulars of Allegation 1.4 proved. It was not disputed that a payment of residual client balances to charity had been made without prior authorisation from the SRA.

31.23 The Tribunal accepted the Respondent's evidence that the payment had been authorised by Partner A and that it had been made in an attempt to address longstanding residual balance issues within the Firm. The Tribunal further accepted that there was no suggestion that the payment had been made for any improper personal benefit.

31.24 However, the Tribunal was satisfied that the relevant regulatory requirements required prior authorisation from the SRA before such a payment could be made. The Tribunal accepted the Respondent's own concession that such approval had not been obtained.

31.25 The Tribunal further concluded that, notwithstanding the involvement of Partner A, responsibility ultimately rested with the Respondent in his capacity as COFA for ensuring that the Firm's procedures secured compliance with the Accounts Rules, including the requirement to obtain prior SRA authority before the payment was made.

31.26 The Tribunal reminded itself that not every breach of a regulatory requirement will amount to professional misconduct. Applying *Dentons*, the Tribunal was satisfied that the unauthorised transfer of client money to charity, together with the Respondent's failure in his capacity as COFA to ensure compliance with the relevant regulatory requirements, rendered the conduct sufficiently serious to amount to professional misconduct.

Breaches

31.27 Accordingly, the Tribunal found that:

(a) The conduct admitted and found proved in Allegation 1.4 amounted to a breach of Paragraph 9.2(a) of the SRA Code of Conduct for Firms (failing to have effective governance structures, arrangements, systems, and controls in place to ensure compliance with the SRA's regulatory arrangements).

(b) The alleged breach of Paragraph 7.2 of the SRA Code of Conduct for Solicitors, RELs and RFLs (ensuring effective governance and compliance with regulatory and legislative requirements) was not proved, the Tribunal not being satisfied on the balance of probabilities that the Respondent had any direct involvement in, or prior knowledge of, the decision to make the payment.

Previous Disciplinary Matters

32. The Respondent has an unblemished regulatory record.

Mitigation

33. The following matters were advanced in mitigation on behalf of the Respondent by Ms Heley:

(a) The misconduct found by the Tribunal arose from shortcomings in compliance and management rather than any failing in the Respondent's work for clients. The Respondent had practised as a solicitor for more than 40 years at the same firm and there had been no criticism of his conduct of client matters. It was submitted that the Tribunal should view the case in the context of a long and otherwise distinguished professional career.

(b) In relation to Allegation 1.1, Ms Heley submitted that the inaccurate information provided on the professional indemnity insurance proposal forms had been the result of human error rather than any deliberate attempt to mislead insurers. The Respondent had accepted from the outset that the forms were inaccurate and had experienced considerable personal distress upon discovering the error. The Tribunal was reminded that both the insurance broker and insurer had continued to support the Respondent and had not sought to avoid cover or otherwise take action arising from the inaccuracies.

(c) The Respondent had consistently accepted responsibility for matters which fell within his remit. He had made a number of admissions during the course of the investigation and proceedings. He had acknowledged shortcomings in his approach to the residual balance issues and accepted that he should have taken a firmer and more robust approach to ensuring compliance by colleagues and staff. Whilst he contested certain allegations and regulatory breaches, he had done so only where he genuinely disagreed with the Applicant's characterisation of the conduct, and that the Tribunal's findings had substantially vindicated his position in those respects.

(d) The Respondent had co-operated fully throughout the Applicant's investigation and the proceedings. It was submitted that he had engaged openly with the SRA, responded to requests for information, provided documentation when required and made a number of admissions which assisted the Tribunal in determining the issues before it. Ms Heley submitted that the Respondent had been candid in accepting failings and had demonstrated genuine insight into the matters giving rise to the allegations.

(e) The Tribunal was referred to testimonials from John Binks and Andrew Fisher KC, both of whom had known the Respondent professionally for many years and spoke positively of his professionalism, reputation and standing within the legal community. The Tribunal took these testimonials into account together with the oral evidence of Ms Cottrill and Mr McNulty, both of whom had also spoken positively about the Respondent.

(f) The proceedings had imposed a significant personal and financial burden upon the Respondent. The investigation and disciplinary process had been ongoing for a number of years and the allegations concerning integrity had weighed heavily upon him. He had borne responsibility for answering the allegations largely alone, had incurred substantial legal costs and had already experienced the stress and anxiety associated with lengthy regulatory proceedings.

Sanction

34. The Tribunal referred to its Guidance Note on Sanctions (February 2025, 11th Edition) and adopted the structured approach to sanction articulated in *Fuglers and others v SRA* [2014] EWHC 179. In determining the appropriate sanction, the Tribunal first assessed the seriousness of the misconduct. It then considered the purpose for which sanctions are imposed, namely, to protect the public, maintain confidence in the profession and uphold proper standards of conduct. Finally, it identified the sanction which would best fulfil those objectives in light of the findings made.

35. The Tribunal assessed the Respondent's culpability as moderate. The misconduct arose from repeated failures in compliance and management over a prolonged period, including failures in his capacity as COFA. The Tribunal took into account the Respondent's seniority, his regulatory responsibilities, and the fact that concerns regarding residual balances and non-compliance had been identified repeatedly by the Firm's reporting accountants.

36. In assessing harm, the Tribunal distinguished between actual harm and the risk of harm created by the misconduct. The Tribunal accepted that there was no evidence of any misappropriation or loss of client money and no evidence that any client, insurer or third party had suffered actual financial loss as a result of the misconduct. The Tribunal also noted that the Respondent derived no personal benefit from the conduct. Nevertheless, the repeated submission of inaccurate information to insurers, the longstanding residual balance issues and the repeated qualification of the Firm's Accountant's Reports created a risk of harm and had the potential to undermine confidence in the profession and the regulatory framework governing solicitors' practices. In all the circumstances, the Tribunal assessed the level of harm as low to moderate.

37. The Tribunal regarded the duration and repetition of the misconduct as significant aggravating factors. The misconduct in Allegations 1.1 and 1.2 persisted over a number of years, gave rise to repeated regulatory failures, and continued notwithstanding concerns raised in successive qualified Accountant's Reports. The Tribunal also attached weight to the fact that the Respondent was a senior solicitor and COFA, entrusted with responsibility for ensuring the Firm's compliance with its regulatory obligations.

38. The Tribunal identified substantial mitigating features. The Respondent had enjoyed a long and otherwise distinguished career without criticism of his client work, had co-operated fully with the Applicant and had made significant admissions both during the investigation and before the Tribunal. He had accepted shortcomings in his approach to compliance and demonstrated genuine insight into the matters giving rise to the misconduct. The Tribunal also took into account the testimonials and positive character evidence before it, the absence of any finding of a lack of integrity, the absence of personal gain or client loss and the considerable personal burden imposed by the proceedings.

39. Having considered the seriousness of the misconduct, together with the aggravating and mitigating factors identified above, the Tribunal concluded that taking no action would not adequately reflect the seriousness of the misconduct found proved. It further took into account the absence of any finding of lack of integrity, the absence of personal gain, the Respondent's insight and cooperation with the Applicant and his previously unblemished professional career. In all the circumstances, the Tribunal concluded that a Reprimand represented the appropriate and proportionate sanction to mark the misconduct found proved and to maintain public confidence in the profession.

40. The Tribunal further considered whether any restriction on the Respondent's practice was necessary. Whilst the Tribunal accepted that there had been no criticism of the Respondent's work on behalf of clients, the misconduct arose principally from failings in his compliance and management responsibilities, particularly in his capacity as COFA. The Tribunal concluded that the protection of the public and the maintenance of proper professional standards required a restriction preventing the Respondent from acting as COFA for a period of 12 months. The Tribunal further determined that, before undertaking that role again, the Respondent should complete an SRA-approved COFA training course. The Tribunal considered those measures to be necessary, proportionate, and appropriately targeted at the deficiencies identified in its findings.

Costs

41. Mr Walker, on behalf of the Applicant, sought recovery of the regulator's costs in the sum of £43,795.36 as set out in the costs schedule dated 22 June 2026. He submitted that the costs sought were reasonable and proportionate having regard to the nature and complexity of the proceedings. He further submitted that the proceedings had been properly brought and that the Applicant had succeeded on the substantial majority of the allegations advanced. Whilst accepting that the dishonesty allegation had been withdrawn and that the Tribunal had not found a lack of integrity in relation to Allegation 1.1, Mr Walker submitted that those matters had not materially increased the costs incurred and that any reduction should therefore be modest. He further contended that the Respondent's conduct had given rise to legitimate regulatory concerns and that it would be wrong for the regulator to bear the costs of investigating and prosecuting those concerns.

42. On behalf of the Respondent, Ms Heley submitted that a substantial reduction should be made to the costs sought. She relied in particular on the withdrawal of the dishonesty allegation and the Tribunal's finding that the allegation of lack of integrity in Allegation 1.1 had not been proved. It was submitted that those issues had represented the principal area of dispute between the parties and had materially increased the scope, complexity, and duration of the proceedings. Ms Heley further submitted that the costs schedule lacked sufficient detail in certain respects, that the hearing had concluded in less than the estimated time and the costs claimed were disproportionate when viewed against the Respondent’s means.

43. The Tribunal recognised that pursuant to Rule 43(1) of the Solicitors (Disciplinary Proceedings) Rules 2019 (the SDPR), it is empowered to make such order as to costs as it considered appropriate.

44. Pursuant to Rule 43(4) of the SDPR, the Tribunal, when deciding whether to make an order for costs, must consider all relevant matters, including the parties' conduct, compliance with directions, whether time spent, rates and disbursements were proportionate and reasonable and the paying party's means.

45. The Tribunal was satisfied that the proceedings had been properly brought and that the Applicant had succeeded on the substantial majority of the allegations advanced. The Tribunal further accepted that the costs claimed were, in broad terms, reasonable and proportionate having regard to the nature and scope of the case.

46. The Tribunal nevertheless recognised that the Applicant had not succeeded in every aspect of its case. In particular, the dishonesty allegation had been withdrawn and the allegation that the Respondent had acted without integrity in relation to Allegation 1.1 had not been proved. The Tribunal accepted that those issues formed an important part of the contested proceedings and warranted an appropriate adjustment to the costs sought.

47. Taking all relevant matters into account, the Tribunal concluded that it was fair and proportionate to reduce the costs claimed. The Tribunal therefore ordered the Respondent to pay costs in the sum of £39,000.

Statement of Full Order

48. The Tribunal ORDERED that:

48.1 The Respondent GORDON MCPHERSON KEIR, solicitor, be REPRIMANDED and it further Ordered that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £39,000.00.

48.2 The Tribunal further Ordered that the Respondent shall be subject to the conditions imposed by the Tribunal as follows:

48.2.1 The Respondent may not be Compliance Officer for Finance and Administration ("COFA") for a minimum period of 12 months.

48.2.2 The restriction in paragraph 48.2.1 shall take effect 28 days from the date of this Order.

48.2.3 The Respondent must complete an SRA approved COFA training course should he wish to undertake the role of COFA after the minimum period.

48.3 There be liberty to either party to apply to the Tribunal to vary the conditions set out at paragraph 48.2 above.

Dated this 14th day of August 2026
On behalf of the Tribunal

G Sydenham

G Sydenham
Chair