

SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974

Case No. 12861-2025

BETWEEN:

SOLICITORS REGULATION AUTHORITY LTD

Applicant

and

MUSA AUDU

Respondent

Before:

Mr M N Millin (in the chair)

Ms T Cullen

Mrs L McMahon-Hathway

Date of Hearing: 22 - 23 September 2026

Appearances

Stephen Brassington, barrister, of 2 Hare Court, Temple, London, EC4Y 7BH for the Applicant.

Geoffrey Williams KC of Farrar's Building, Temple, London, EC4Y 7BD for the Respondent.

JUDGMENT

Allegations

1. The allegations against the Respondent, Mr Musa Audu, a practising solicitor, are that:

1.1 On 11 August 2022 and 17 October 2022, he disclosed information to Client A against police instructions.

In so doing, he breached any or all of Principles 1, 2 and 5 of the SRA Principles 2019 (**the 2019 Principles**) and paragraph 6.4(a) of the SRA Code of Conduct for Solicitors, RELs and RFLS 2019 (**the 2019 Code**).

It is further alleged that the Respondent's conduct was reckless. Recklessness is alleged as an aggravating feature of the Respondent's misconduct as described in Allegation 1.1 but is not an essential ingredient in proving the allegation.

NOT PROVED

1.2 Between 29 April 2022 and 11 May 2023, he authorised five improper transfers, totalling £10,100, from the client bank account to the office bank account.

In so doing, he breached any or all of Principles 2, 4 and 5 of the 2019 Principles and Rules 4.3 and 5.1 of the SRA Accounts Rules 2019 (**the Accounts Rules**).

Breach of Principle 4 not proved; Breaches of Principles 2 and 5 of the 2019 Principles and Rules 4.3 and 5.1 of the Accounts Rules,

ADMITTED AND PROVED

1.3 While sole manager and COFA of Audu & Co (**the Firm**), he failed to comply and/or ensure that the Firm complied with the SRA Accounts Rules in respect of any or all of:

1.3.1 Allowing the Firm's client bank account to be used as a banking facility in relation to:

1.3.1.1 Client B between 29 September 2020 and 24 November 2020; and/or

1.3.1.2 Client C between 5 February 2021 and 29 September 2021.

In so doing he breached Rule 3.3 of the Accounts Rules.

1.3.2 Failing to keep accounting records properly written up to show the Firm's dealings with client and office money, as exemplified in relation to the matters of:

1.3.2.1 Client C between 15 February 2021 and 22 September 2021; and/or

1.3.2.2 Client D between 9 November 2022 and 7 December 2022.

In so doing, he breached Rule 8.1 of the Accounts Rules.

1.3.3 Failing to undertake proper client account reconciliations between April and July 2023, in breach of Rule 8.3 of the Accounts Rules.

1.3.4 Submitting the Firm's accountant's report late for the period ending June 2022, in breach of Rule 12.1(b) of the Accounts Rules.

It is further alleged that the Respondent's misconduct in relation to the SRA Accounts Rules, as set out in allegation 1.3, was a breach of Principle 2 of the 2019 Principles and Paragraph 9.2(a) of the SRA Code of Conduct for Firms 2019 (**the Code for Firms**).

ADMITTED AND PROVED

1.4 As MLCO, MLRO and sole manager of the Firm, he failed to ensure that the Firm complied with the obligations imposed upon it by the Money Laundering Regulations 2007 (**MLRs 2007**) and/or the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (**MLRs 2017**), in respect of any or all of the following matters:

1.4.1 Between September 2022 and 7 May 2024, the Firm did not have in place any, or any compliant,

1.4.1.1 firm-wide risk assessment (**FWRA**), as required by Regulation 18 MLRs 2017; and/or

1.4.1.2 policies, controls and procedures (**PCPs**) as required by Regulation 19 MLRs 2017.

In so doing, he breached of any or all of Principle 2 of the 2019 Principles, and Paragraphs 2.1(a), 3.1 and 8.1 of the Code for Firms.

1.4.2 Between January 2016 and February 2019, in relation to the matter of Client A, he failed to:

1.4.2.1 Take measures to establish source of funds, contrary to Regulation 8(2)(a) of the MLRs 2007 and Regulation 28(11)(a) of the MLRs 2017; and/or

1.4.2.2 Undertake client and matter risk assessments, contrary to Regulation 7(3) of the MLRs 2007 and Regulations 28(12) and 28(13) of the MLRs 2017.

In doing so, he breached any or all Principles 6, 7 and 8 of the SRA Principles 2011 (**the 2011 Principles**) and failed to achieve Outcome 7.3 and Outcome 7.5 of the SRA Code of Conduct 2011 (**the 2011 Code**).

1.4.3 Between 9 November 2022 and 7 December 2022, in relation to the matter of Client D, he failed to:

- 1.4.3.1 Take measures to establish source of funds, contrary to Regulation 28(11)(a) of the MLRs 2017; and/or
- 1.4.3.2 Undertake client and matter risk assessments, contrary to Regulations 28(12) and 28(13) of the MLRs 2017.

In doing so, he breached any or all of Principle 2 of the 2019 Principles, Paragraph 7.1 of the 2019 Code and Paragraphs 3.1 and 8.1 of the Code for Firms.

ADMITTED AND PROVED

Executive Summary

2. Allegation 1.1: on 11 August 2022 and 17 October 2022, the Respondent was alleged to have disclosed information to Client A against police instructions. The Respondent accepted disclosing to Client A that a request had been made by the police for Client A's conveyancing file but denied that he provided details of the police investigation or that he had breached the SRA Principles or the Code or had acted recklessly. The Tribunal found that Allegation 1.1 had not been established to the requisite standard and it was not proved on the balance of probabilities.
3. Allegation 1.2: between 29 April 2022 and 11 May 2023, the Respondent was alleged to have authorised five improper transfers, totalling £10,100, from the client bank account to the office bank account. He admitted breaches of the Accounts Rules as alleged, and of Principles 2 (maintaining public trust and confidence in legal services) and 5 (integrity) which were proved before the Tribunal. He denied the alleged breach of Principle 4, the duty to act honestly. The Respondent was not found to have acted dishonestly on the balance of probabilities, because he had a genuinely held belief that the money he transferred belonged to him, and therefore did not breach the first limb of the test in Ivey.
4. Allegation 1.3.1 – 1.3.4: while sole manager and COFA of the Firm, he failed to comply and/or ensure that the Firm complied with the Accounts Rules. All the allegations in 1.3 were admitted and found proved on the balance of probabilities.
5. Allegation 1.4.1 – 1.4.3: as the Money Laundering Compliance Officer and Money Laundering Reporting Officer for the Firm, he failed to ensure that the Firm complied with the obligations imposed on it by the MLRs 2007 and the MLRs 2017. All the allegations in 1.4 were admitted and found proved on the balance of probabilities.
6. The Respondent was fined the sum of £10,500 to mark the seriousness of the breaches proved against him. Conditions were imposed on his practising certificate relating to the holding of client money for the purpose of protecting public confidence, and he was ordered to pay costs in the sum of £46,620.65.

Sanction

7. The Tribunal ordered the Respondent to pay a fine of £10,500.00, such penalty to be forfeit to His Majesty the King, and it further ordered that: (1) he shall not act as a manager or owner of an authorised body; (2) he shall not practise on his own account

under regulation 10.2 of the SRA Authorisation of Individuals Regulations; (3) he shall not hold or receive client money, or act as a signatory to any client or office account or have the power to authorise transfers from any client or office account and (4) he shall not act as a COLP or COFA for any authorised body, and it further ordered that he pay the costs of and incidental to this application in the sum of £46,620.65. The Tribunal's reason on sanction can be found [\[here\]](#).

Professional Details

8. The Respondent was born in March 1952 and was admitted to the Roll on 2 June 1997. At the time of the hearing the Respondent remained on the Roll as a solicitor.
9. At all material times, the Respondent was the manager and owner of the Firm. He was the Firm's COLP, COFA and MLRO. The Firm had been authorised as a sole practice on 1 November 2015, having previously operated as a partnership.
10. The SRA issued a notice recommending intervention into the Firm on 9 April 2024, however, as the Firm closed on 7 May 2024 and its authorisation was withdrawn on 27 June 2024, the intervention did not proceed.
11. The Respondent had conditions placed on his 2023/2024 Practising Certificate on 29 March 2025, on his 2024/2025 Practising Certificate on 1 July 2025 and on his 2025/2026 Practising Certificate on 16 March 2026 which were similar in terms to those set out below:
 - He shall not act as a manager or owner of an authorised body.
 - He shall not practise on his own account under regulation 10.2 of the SRA Authorisation of Individuals Regulations.
 - He does not hold or receive client money, or act as a signatory to any client or office account or have the power to authorise transfers from any client or office account.
 - He shall not act as a COLP or COFA for any authorised body.

General Factual Background

12. The Respondent's actions came to the attention of the SRA's Anti-Money Laundering Team in April 2023.
13. A Forensic Investigation was commissioned by the SRA on 11 July 2023. A recorded interview with the Respondent took place on 15 September 2023 (**the Forensic Interview**). A Forensic Investigation Report (**FIR**) was produced on 14 November 2023. The FIR stated that 95% of the Firm's work related to child and criminal law, with only 1% of work being in residential conveyancing. The Respondent specialised in crime and family work.

Documents

14. The Tribunal considered all the documents in the case which included:

Applicant

15. Rule 12 Statement and Exhibit TW1 dated 16 October 2025. [\[here\]](#)
16. The Applicant's Opening Note dated 16 September 2026.
17. Updated Schedule of Costs dated 15 September 2026.

Respondent

18. The Respondent's Answer dated 19 January 2026. [\[here\]](#)
19. The Respondent's Statement of Means dated 22 September 2026.

Preliminary Matters

20. Mr Brassington confirmed to the Tribunal that Stephen Hall, Accredited Financial Investigator for the Economic Crime Command within the Metropolitan Police Service, would not be called to give oral evidence. His evidence was contained in a witness statement dated 17 July 2026. Mr Williams consented on the basis that Mr Brassington had agreed that there was an error in Mr Hall's statement in paragraph 8: the Respondent did in fact respond to Mr Hall's telephone message left on 6 April 2022, by leaving a message in return.

Witnesses

21. 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. 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. The following witnesses gave oral evidence:

- Musa Audu

Findings of Fact and Law

22. The Applicant was required to prove the allegations on the balance of probabilities. The Tribunal had due regard to its statutory duty, under section 6 of the Human Rights Act 1998, to act in a manner which was compatible with the Respondent's right 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.

Dishonesty

23. The test set out at paragraph 74 of [Ivey v Genting Casinos \(UK\) Ltd t/a Crockfords \[2017\] UKSC 67](#).

Integrity

24. The matters set at paragraphs 97 to 107 of [Wingate v SRA \[2018\] EWCA Civ 366](#).

Recklessness

25. The matters set out at paragraph 78 of [Brett v SRA \[2014\] EWHC 2974](#).

Seriousness

26. The matters set out in paragraph 120 of [Dentons UK and Middle East LLP v SRA \[2026\] EWCA Civ 508](#).

Allegations

27. **Allegation 1 – 1.1 On 11 August 2022 and 17 October 2022, the Respondent disclosed information to Client A against police instructions. In so doing, he breached any or all of Principles 1, 2 and 5 of the 2019 Principles and paragraph 6.4(a) of the 2019 Code. It was further alleged that the Respondent’s conduct was reckless. Recklessness was alleged as an aggravating feature of the Respondent’s misconduct as described in Allegation 1.1 but was not an essential ingredient in proving the allegation.**

Facts of the Allegation

- 27.1 In August 2016, Client A instructed the Respondent in relation to the purchase of Property A in Bradford for the sum of £56,950. Contracts were exchanged on 21 September 2016, and completion took place on 26 February 2019 but, as at 15 September 2023, it had not been registered at the Land Registry.
- 27.2 On 13 April 2022, Stephen Hall, an Accredited Financial Investigator with the Metropolitan Police, contacted the Respondent by telephone, seeking information about Client A’s purchase. The Respondent said that a court order or client authority would be required.
- 27.3 On 1 August 2022, in email correspondence from the Metropolitan Police and in a Notice of Application for a Production Order under the Proceeds of Crime Act 2002 (POCA), the Respondent was advised that Client A was under investigation for drugs and money laundering offences. In two emails dated 1 August 2022 (detailed in the Applicant’s Case below) and in the attached notice of an application for a production order under POCA, that the application was without notice to Client A, that he must not disclose information liable to prejudice the investigation, and that prejudicing an investigation by disclosure could constitute an offence. The Respondent had immediately engaged with the police by responding the same day, saying he awaited the court order and would take instructions from his client.

- 27.4 A handwritten attendance note of a video conference with Client A on 11 August 2022 recorded that the Respondent discussed the police request for the file, stated that the file would be disclosed with a court order, and told Client A that he could inform his criminal solicitor of the conference. The Respondent confirmed in the forensic investigation interview on 15 September 2023 and before the Tribunal that the note was in his handwriting.
- 27.5 A Production Order under section 345(1) POCA was made by Snaresbrook Crown Court on 21 September 2022.
- 27.6 On 17 October 2022, the Firm wrote to Client A at HMP Pentonville, referring to the police request, the 11 August conference, enclosing the Order and confirming compliance.

The Applicant's Case

- 27.7 Mr Brassington submitted that the disclosures breached Principle 1 (upholding the rule of law), Principle 2 (public trust) and Principle 5 (integrity) of the 2019 Principles, as well as paragraph 6.4(a) of the 2019 Code.
- 27.8 In Wingate and Evans v SRA [2018] EWCA Civ 366, the Court of Appeal confirmed that integrity was a broader concept than honesty and required adherence to the higher ethical standards expected of professionals.
- 27.9 In cross-examination, the Respondent confirmed that he had undertaken the conference by video link on 11 August 2022 in order to (1) tell Client A that the police had asked for his conveyancing file and (2) deal with the registration of Property A, so that the conveyancing file could be closed. The Respondent had gone to some efforts to locate Client A to seek his instructions. The Respondent asserted in oral evidence that he had done this because the matter of the registration was “*very, very crucial*” to Client A. He accepted, however, that discussion about it had not been recorded in the contemporaneous attendance note of the conference. Mr Brassington therefore submitted that the contemporaneous attendance note was inconsistent with the Respondent's oral evidence.
- 27.10 In cross-examination the Respondent also confirmed that the purpose of telling Client A about the police interest in the conveyancing file was to give advice that he should consider whether to “*voluntarily offer [it] up*”. The Respondent accepted that this matter was also not recorded in the attendance note of 11 August 2022. He recalled that Client A had been extremely passive in the face of the advice and “*just sat there*” and “*said nothing*” and therefore no instructions were given. Mr Brassington drew the inference that the video conference had not been held for either of the purposes stated by the Respondent, as the attendance note did not reflect the stated intentions, and in fact the result was that the Respondent had in fact disclosed information to Client A against police instructions.
- 27.11 Mr Brassington submitted that the Respondent had received clear warnings that Client A was not to be notified and that disclosure could prejudice the investigation. He was not acting for Client A in the criminal investigation. Notwithstanding those warnings, he disclosed the police contact and prospective Production Order on 11 August 2022.

- 27.12 At 11.14 on 1 August 2022 the Respondent had received an email from Mr Hall which said, *“Please be advised that this Application has been made ex-parte with [Client A] and as I am sure you are aware it would be an offence to prejudice the investigation”*. The notice of the application, which was enclosed, stated, *“IT IS AN OFFENCE to prejudice an investigation by disclosing information about it ... YOU MUST NOT therefore ... disclose information liable to prejudice this investigation”*. A second email from Mr Hall at 1341 the same day reiterated the police’s position.
- 27.13 The Respondent conducted the video conference with Client A on 11 August and later, on 17 October 2022, sent a copy of the Order to Client A and confirmed he had complied with it.
- 27.14 Mr Brassington submitted that this conduct lacked integrity and interfered with, or risked interfering with, the proper administration of justice. The prevention-of-crime exception in paragraph 6.4(a) of the 2019 Code meant that the Respondent was not obliged to disclose the information to Client A.
- 27.15 Alternatively, the Applicant relied on recklessness as considered in Brett v SRA [2014] EWHC 2974. The Respondent disclosed the information despite knowing that Client A should not be informed, thereby taking the risk that the investigation could be prejudiced. The absence of a criminal charge or proof of the section 333A POCA offence did not determine the separate regulatory allegations.
- 27.16 Mr Brassington further submitted that the Respondent’s experience in criminal work was relevant: he knew that he was not instructed as Client A’s criminal solicitor and ought to have appreciated the implications of communicating information about the police investigation and Production Order. He did not know the facts or allegations of the criminal case and was therefore unable to determine whether the fact of telling Client A about the police requiring the conveyancing file was prejudicial or not. He did, however, understand what was meant by the label *“ex parte”*, as meaning without notice to Client A.
- 27.17 Mr Brassington emphasised that the Applicant’s case did not depend upon proof of whether the criminal investigation was in fact prejudiced.

The Respondent’s Case

- 27.18 In the Forensic Interview, the Respondent denied that he had disclosed information to Client A against police instructions or prejudiced the police investigation or imparted any information that he had been asked to keep confidential. He confirmed that he did not know the detail of the police investigation and that his authority was limited to conveyancing. He said his purpose in liaising with Client A was to advise him to cooperate with the police because, *“it goes to his credit in other words if he co-operated with the police, by just giving me the authority to disclose the file to the police”*. The Respondent owed a duty of care to Client A.
- 27.19 In his Answer, he further relied on the absence of evidence of actual prejudice to the criminal investigation and stated he could not seek Client A’s consent without explaining why it was required.

- 27.20 In oral evidence the Respondent repeated that his motivation was to give Client A, “*the best advice*” in accordance with his duty of care. He said that he had read s.333A POCA, that he did not tell Client A there was an investigation pursuant to that section, and that he did not and could not have prejudiced the police investigation as he did not know what it concerned.
- 27.21 Mr Williams submitted that the police, in their email correspondence on 1 August 2022, had not given any ‘instructions’ to the Respondent, but had only warned him that it would be an “*offence to prejudice the investigation*”, which he had not done. The Respondent replied to the police within two hours of their email being sent, confirming that he would await receipt of the police order and would seek instructions in the meantime. The Respondent made it immediately clear to the police that he would abide by the terms of any court order.
- 27.22 The property that was the subject of the investigation could not be disposed of, and was therefore protected, because it had not been registered in Client A’s name. The Respondent, on 11 August and 17 October 2022, had done nothing more than tell Client A that the police wanted the conveyancing file. He had done this because he was obliged to act in the best interests of his client, which he deemed to be that Client A should be advised to disclose the file voluntarily. In the event, Client A remained silent throughout the meeting with the Respondent and did not give any instructions.
- 27.23 Mr Williams submitted that the actions of the Respondent were not sufficiently serious to amount to professional misconduct and the allegation should be dismissed.

The Tribunal’s Findings - Allegation 1 – 1.1

- 27.24 The Tribunal found that the Respondent was a credible witness who gave evidence in a professional and measured manner. It was noted that his demeanour only changed when his integrity was repeatedly challenged in cross-examination. His oral evidence before the Tribunal was consistent with the evidence given to the Applicant’s Forensic Investigation Officer in the Forensic Interview in September 2023.
- 27.25 The Tribunal examined the exact nature of the Respondent’s obligations with care. He had been warned not to tell Client A that the police intended to make an ‘ex-parte application’ and he did not do so. The police did not tell the Respondent not to tell Client A that they had asked for the file. The Respondent was challenged on this point in cross-examination and was robust in his position that he had acted within appropriate boundaries. He set out his point of view at the outset, in his email to Mr Hall at 14.10 on 1 August 2022, which stated, “*we are not in any way trying to pervert the course of justice by simply taking our client’s instructions on the Police proposed request for his file ... please let us know which offence you are referring to under what act*”.
- 27.26 The offence referred to was confirmed to be s. 333A POCA, but the police never brought a charge against the Respondent in respect of his interaction with Client A, on the basis that it was, “*likely to prejudice any investigation that might be conducted*”.
- 27.27 The Tribunal accepted, as submitted by Mr Williams, that the Respondent did not disclose information to client A against police instructions. Furthermore, it found that

the Respondent did not prejudice the police investigation, notwithstanding that proof of actual prejudice was not in fact required to establish the allegation.

- 27.28 In approaching this allegation, the Tribunal had regard to [Dentons UK and Middle East LLP v SRA \[2026\] EWCA Civ 508](#), and determined that there was an inherent requirement of seriousness which required it to determine whether the Respondent's conduct amounted to breaches of the SRA Principles or the mandatory provisions of the SRA Code, contrary to Mr Williams' submission.
- 27.29 The Tribunal determined that the Respondent did not disclose information to Client A against police instructions. The Tribunal accepted Mr Williams' submission that, in taking the steps he did, the Respondent was complying with his duty of care to his client, by advising him to offer up the conveyancing file voluntarily to the police.
- 27.30 The Tribunal determined that the Respondent did not act recklessly within the definition of paragraph 78 of [Brett v SRA \[2014\] EWHC 2974](#), because the Respondent had not disclosed information to Client A against police instructions. The Tribunal noted that the Respondent had immediately engaged with the police when first receiving their instructions and had been open about what he intended to do to respond to the situation. He acted in his client's best interests.
- 27.31 The allegation was dismissed.
28. **Allegation 1 – 1.2 Between 29 April 2022 and 11 May 2023, the Respondent authorised five improper transfers, totalling £10,100, from the client bank account to the office bank account. In so doing, he breached any or all of Principles 2, 4 and 5 of the 2019 Principles and Rules 4.3 and 5.1 of the Accounts Rules.**

Facts of the Allegation

- 28.1 The Firm's office account had an overdraft limit of £10,000. The FIR identified five transfers from client account to office account, totalling £10,100. Each was subsequently repaid to client account after Legal Aid receipts were received.

Date	Amount	Office balance before transfer	Repayment date	Relevant expenditure
29 Apr 2022	£5,500	£-9,619.64	9 May 2022	Staff wages £5,965.20
13 Feb 2023	£500	£-8,321.77	27 Feb 2023	NatWest credit card £1,995.84
24 Feb 2023	£500	£-9,998.56	27 Feb 2023	—
10 Mar 2023	£600	£-8,908.29	20 Mar 2023	HMRC £1,500
11 May 2023	£3,000	£-9,916.29	22 May 2023	HMRC £2,000

- 28.2 The circumstances relating to the five transfers set out in the table above were as follows:

. Transfer 1:

- . As of 29 April 2022, the balance in the Firm's office account was £380.36 less than the overdraft limit.
 - . On 29 April 2022, £5,500 was transferred from client account into office and staff wages totalling £5,965.20 were paid out of office account.
 - . On 9 May 2022, £9,610.91 was received into the office account from Legal Aid and, on the same date, £5,500 was transferred back to the client account.
- . Transfer 2:
- . As of 13 February 2023, the balance in the Firm's office account was £1,678.23 less than the overdraft limit.
 - . On 13 February 2023, £500 was transferred from client account into office and a NatWest credit card bill of £1,995.84 was paid out of office account.
 - . On 27 February 2023, £12,692.50 was received into office account from Legal Aid and on the same date £500 was transferred back to client account.
- c. Transfer 3:
- . As of 24 February 2023, the balance in the Firm's office account was £1.44 less than the overdraft limit. On that date, £500 was transferred from client account into office.
 - . On 27 February 2023, £12,692.50 was received into office account from Legal Aid and on the same date £500 was transferred back to client account.
- d. Transfer 4:
- . As of 10 March 2023, the balance in the Firm's office account was £1,091.71 less than the overdraft limit.
 - . On that date, £600 was transferred from client account into office and a payment to HMRC of £1,500 was made from the office account.
 - . On 20 March 2023, £44,914.22 was received into office account from Legal Aid and on the same date £600 was transferred back to client account.
- e. Transfer 5:
- . As of 11 May 2023, the balance in the Firm's office

account was £93.71 less than the overdraft limit.

On 11 May 2023, £3,000 was transferred from client account into office and a payment to HMRC of £2,000 was made from office account.

On 22 May 2023, £20,110.49 was received into the office account from Legal Aid and, on the same date, £3,000 was transferred back to the client account.

The Applicant's Case

- 28.3 Mr Brassington submitted that the transfers made by the Respondent from and to client account breached Principles 2 (public trust), 4 (dishonesty) and 5 (integrity) of the 2019 Principles, and Rules 4.3 and 5.1 of the Accounts Rules.
- 28.4 Rules 4.3 and 5.1 of the Accounts Rules require written notification of costs before transfer and withdrawal of client money only for the purpose for which it was held, on appropriate instructions or authority. No invoices were produced to show that the transferred sums were properly due, and there was no evidence of client notification or authority.
- 28.5 Mr Brassington submitted that the timing and reversal of each transfer, shortly after Legal Aid receipts, supported the inference that client money was used temporarily to manage the Firm's cashflow. Client money was "*sacrosanct*" (Bolton v Law Society [1993] EWCA Civ 312), and transfers to office account must be properly required for costs and made in accordance with the applicable procedures (Levy v SRA [2011] EWHC 740 (Admin)).
- 28.6 Mr Brassington took the Tribunal through the relevant sections of the Respondent's Forensic Interview in September 2023 in detail. The Respondent accepted that he was unable to match the money he transferred to individual client ledgers, stating, "*I just transferred what I need for the office*". He accepted that this practice did not comply with the Accounts Rules which required a bill to be issued before money was transferred to office account, observing, "*I've tried to do it in a conventional way it can be time-consuming*". Notwithstanding the Respondent's position that the money belonged to him, he said he kept it in client account and transferred back the allegedly 'borrowed' sums after receipt of legal aid payments, in order to remove the "*temptation*" to spend it, which was present when it was in office account. In evidence before the Tribunal, he said it gave him an "*incentive not to spend the whole money*". He confirmed that he wished to save money for a "*rainy day*".
- 28.7 When challenged in cross-examination, the Respondent did not have an answer as to why he transferred the monies back to office account once alternative funds had arrived, which, on his own case, he did not need to do, because it was his own money, saying, "*the mistake I made was I didn't keep the money*".
- 28.8 Applying Ivey v Genting Casinos [2017] UKSC 67, Mr Brassington proposed that the deliberate temporary use of client money without established entitlement or authority, as there were no invoices to demonstrate undrawn fees, was dishonest by the standards

of ordinary decent people. The same conduct, together with the absence of proper records and billing procedures, represented a breach of integrity under the 2019 Principles. Wingate identified improper payments from client account as an example of conduct lacking integrity.

- 28.9 Mr Brassington relied on the sequence of events: each transfer was made when the office account was close to its £10,000 overdraft limit and was reversed once other office funds became available. This pattern was inconsistent with ordinary withdrawals of properly billed costs and supported the inference that client money was temporarily used to meet office liabilities. This gave the Respondent the benefit of avoiding overdraft fees, interest and penalties and fines.
- 28.10 The Respondent was an experienced solicitor and COFA who used client money when the office account was close to its overdraft limit, contrary to rules designed to safeguard client funds. This conduct undermined public trust in breach of Principle 2 of the 2019 Principles.
- 28.11 The SRA's case was that there were no contemporaneous records identifying the fees said to be due, no invoices establishing entitlement to the sums transferred, and no adequate evidence of client notification or authority.

The Respondent's Case

- 28.12 In the Forensic Interview, the Respondent had accepted that he transferred money from client account to office account when there was a "*shortfall*"; he accepted that a bill was required before costs could be transferred; and he accepted that his accounting practices were not compliant with the SRA Accounts Rules. He denied borrowing client money, saying that he was using money owed to the Firm. At the Forensic Interview he was asked, "*So in your mind you're not borrowing money from the client account... to pay your office expenditure?*" and he responded that he was not because "*that's my money*". Alternatively, he considered it office money that was held in the client account.
- 28.13 In summary, the Respondent's case was that the sums represented undrawn fees which, once properly billed, would have belonged to the Firm.
- 28.14 In oral evidence before the Tribunal the Respondent explained that conveyancing fees were being held pursuant to a fixed fee agreement set out in a client care letter, which was subsequently confirmed in a completion statement, as is standard in conveyancing transactions. He stated that he checked clients' files and ledger cards prior to making any transfers. He repeatedly asserted that it was his or his firm's money. Mr Williams submitted that there was no evidence that the client account generally, or individual client ledgers, were overdrawn because of the transfers.
- 28.15 Mr Williams asserted that the only mistake the Respondent had made, which rendered him in breach of the Accounts Rules, was not to have sent a bill prior to transferring any funds. Sums transferred were always less than monies due for fees and disbursements. He submitted that had the Applicant checked the Respondent's files, it would have found the evidence supporting the Respondent's claim that the money at all times belonged to him.

- 28.16 The Respondent admitted that his administrative skills were lacking - Mr Williams described them as “*hopeless*” - and that he should not have relied upon his external bookkeeper, who did not exercise proper due diligence, and whom he replaced in due course.
- 28.17 In his Answer and in oral evidence, the Respondent admitted the transfers and the Accounts Rules breaches but denied dishonesty. He stated that undrawn fees held in client account exceeded the amounts transferred, that his principal error was failing to bill promptly, and that no shortage of client funds took place. No transactions were for his personal benefit. Mr Williams submitted that the Respondent looked at the client ledgers before making the transfers and made an honest appraisal of funds that were due to him. He suggested that the Respondent had acted in accordance with the school of thought that monies paid pursuant to fixed fees could in fact be considered as office monies.
- 28.18 Mr Williams submitted that the Respondent had a genuinely held belief that he transferred monies for fees that were due to him, albeit unbilled. The Respondent confirmed in evidence that the monies held represented fixed fees, which were set out client care letters at the outset of the conveyancing transactions and confirmed in completion statements at the end. The sums payable did not change. If followed from this that the Respondent’s belief was that the monies belonged to him. This belief was genuinely held, and therefore the Tribunal did not need to determine if it was reasonably held, as set out in the first limb of the test in *Ivey*. If the Tribunal was satisfied on this point, it did not need to go on to consider what the point of view of ordinary, decent people might be.
- 28.19 Mr Williams adduced six detailed testimonials, five from members of the bar and one from another solicitor, which referred to the allegation of dishonesty which the Respondent was facing, and all of which described him as a man of honesty, integrity and compassion and citing examples of the same.

The Tribunal’s Findings - Allegation 1 – 1.2

- 28.20 The Tribunal determined that the Respondent’s admissions were properly made, in that, by authorising five transfers totalling just over £10,000 from client account to office account in the period April 2022 – May 2023, he had breached Principles 2, upholding public trust and confidence in the profession, and 5, the duty to act with integrity, of the 2019 Principles and Rules 4.3 and 5.1 of the Accounts Rules. The reasons were self-evident in the fact that the Respondent freely admitted that he had not raised invoices for sums due from individual clients prior to making transfers and could not therefore reflect those transfers in individual client ledgers.
- 28.21 The Tribunal observed the serious failings which were manifest in the Respondent’s approach to bookkeeping. He had disregarded professional rules, of which he was aware, thereby endangering trust and confidence in the profession. He had made deliberate, sloppy choices and admitted that he had done so in the interests of convenience and an easy life. This was a clear breach of integrity.
- 28.22 When considering the allegation of dishonesty, the Tribunal first established that the Respondent was a professional, serious, and credible witness. The Tribunal accepted

the submissions made by Mr Williams that the Respondent's actions reflected a genuinely held 28.23 belief that the money the Respondent held, and temporarily transferred to office account, belonged to him and could not, therefore, be 'borrowed'. The Tribunal accepted this on the basis that the money had been paid and was held pursuant to fixed fee agreements, later reflected in completion statements, in accordance with usual conveyancing protocol. The Respondent believed that the money was his, albeit that he had not rendered a final bill. The first limb of Ivey required the Tribunal to determine the Respondent's actual knowledge or belief, which only needed to be genuinely, as opposed to reasonably, held. Accordingly, the Tribunal determined that the Respondent had not acted dishonestly, and the allegation that he had, failed. The Tribunal did not therefore need to consider the second limb of Ivey.

28.24 The Tribunal was helped in its determination by the thorough and outstanding character references from persons of professional standing who had worked with the Respondent. The evidence supported the Respondent's credibility and cast considerable doubt on his propensity to dishonesty. Accordingly, the Tribunal attributed real weight to that evidence (Donkin v Law Society [2007] EWHC 414 (Admin)).

29. **Allegation 1 – 1.3 While sole manager and COFA of the Firm, the Respondent failed to comply and/or ensure that the Firm complied with the SRA Accounts Rules in respect of any or all of:**

(1.3.1) Allowing the Firm's client bank account to be used as a banking facility in relation to: (1.3.1.1) Client B between 29 September 2020 and 24 November 2020; and/or (1.3.1.2) Client C between 5 February 2021 and 29 September 2021.

In so doing he breached Rule 3.3 of the Accounts Rules

(1.3.2) Failing to keep accounting records properly written up to show the Firm's dealings with client and office money, as exemplified in relation to the matters of: (1.3.2.1) Client C between 15 February 2021 and 22 September 2021; and/or (1.3.2.2) Client D between 9 November 2022 and 7 December 2022. In so doing, he breached Rule 8.1 of the Accounts Rules 2019.

(1.3.3) Failing to undertake proper client account reconciliations between April and July 2023, in breach of Rule 8.3 of the Accounts Rules.

(1.3.4) Submitting the Firm's accountant's report late for the period ending June 2022, in breach of Rule 12.1(b) of the Accounts Rules. It was further alleged that the Respondent's misconduct in relation to the SRA Accounts Rules, as set out in allegation 1.3, was a breach of Principle 2 of the 2019 Principles and Paragraph 9.2(a) of the Code for Firms.

Facts of the Allegation

29.1 Allegations 1.3.1–1.3.4 were admitted. The remaining issue was the regulatory significance of the admitted conduct, including Principle 2 and paragraph 9.2(a) of the Code for Firms.

30. Allegation 1.3.1: Allowing the Firm's client bank account to be used as a banking facility for Clients B and C

30.1 Client B

30.2 The Respondent was instructed by Client B in 2020 in relation to the remortgaging of Property B for the sum of £566,850.00. Client B lived in Nigeria.

30.3 The following payments were made to third parties unconnected to the transaction

Date	Payee	Amount
29 September 2020	Client B's son	£2,000
21 November 2020	Client B's son	£10,000
24 November 2020	Client B's son	£2,134
29 September 2020	University	£1,178.84
24 November 2020	University	£13,350.00

30.4 Paragraph 234 of the FIR sets out how the remaining re-mortgage proceeds were distributed.

30.5 Client C

30.6 The Respondent was instructed by Client C in relation to the sale of Property C in the UK for £670,000. Client C lived in Nigeria. The sale completed on 29 June 2021.

30.7 The following payments were made to third parties unconnected to the transaction:

Date	Payee	Amount
30 June 2021	Person C	£410,000
21 September 2021	JC Ltd	£5,200

30.8 Person C was Client C's daughter, who lived in the USA. JC Ltd was a company owned by a friend of Client C.

The Applicant's Case with respect to Allegation 1.3.1

30.9 Rule 3.3 of the Accounts Rules prohibits the use of the client account to provide banking facilities where payments are not in respect of regulated services. The SRA's Warning Notice expressly stated that client convenience or lack of a UK bank account is not a legitimate reason for processing funds through client account.

30.10 The fact that the payments were made on client instructions, or for the clients' convenience, did not bring them within the delivery of regulated services.

The Respondent's Case with respect to Allegation 1.3.1

- 30.11 In interview, the Respondent accepted the allegation. He confirmed that he was aware of the Warning Notice. When he made the payments on behalf of Clients B and C, he had an awareness that providing a banking facility was not allowed but did not know these payments fell into that category.
- 30.12 The Respondent stated that he advised Client B that, *"I can't hold onto this money for any longer...because I could be – it's against the Accounts Rule"*.
- 30.13 The Respondent explained that the payments were made on client instructions, principally because the clients did not have UK bank accounts and wished to avoid loss of value on transfers to and from Nigeria. He accepted awareness of the SRA Warning Notice but said he had not appreciated that these payments constituted a prohibited banking facility.
- 30.14 Within his Answer, he accepted the allegation and reiterated that the payments were made on the instructions of both clients and for legitimate purposes.

The Tribunal's Findings with respect to Allegation 1.3.1

- 30.15 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made and that the allegations were proved.
- 30.16 The Tribunal found that the Respondent acted in breach of Rule 3.3 of the Accounts Rules, Principle 2 of the 2019 Principles and Paragraph 9.2(a) of the SRA Code of Conduct for Firms.
31. **Allegation 1.3.2: Failing to keep accounting records properly written up as exemplified in the matters of Client C and D.**

Facts of the Allegation

- 31.1 The Firm maintained handwritten client ledgers recording receipts and payments on the client side only; the office side was not maintained. There was no electronic account system. There was also no cashbook showing a running total of client-account transactions.

The Applicant's Case with respect to Allegation 1.3.2

- 31.2 Rule 8.1(a) of the Accounts Rules requires the maintenance of client ledgers which record all receipts and payments which are client money on the client side of the client ledger account and all receipts and payments which are not client money and bills of costs including transactions through the Firm's accounts on the business side of the client ledger account.
- 31.3 Rule 8.1(c) of the Accounts Rules requires the maintenance of a cash book showing a running total of all transactions through client accounts held or operated by the Firm.

- 31.4 In failing to comply with Rule 8.1 of the Accounts Rules, the Respondent placed the interests of clients and others who entrusted money to the Firm at risk.

The Respondent's Case with respect to Allegation 1.3.2

- 31.5 The Respondent accepted that he had been trained in double-entry bookkeeping but found his own method convenient. He was unaware of the cashbook requirement and relied on his accountant. The allegation was admitted.
- 31.6 Within his Answer, he accepted the allegation and reiterated that he was reliant on his accountant.

The Tribunal's Findings with respect to Allegation 1.3.2

- 31.7 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made and that the allegations were proved.
- 31.8 The Tribunal found that the Respondent acted in breach of Rule 8.1 of the Accounts Rules, Principle 2 of the 2019 Principles and Paragraph 9.2(a) of the SRA Code of Conduct for Firms.
32. **Allegation 1.3.3: Failing to undertake proper client account reconciliations between April and July 2023.**

Facts of the Allegation

- 32.1 The reconciliations dated 30 April, and 31 May 2023 contained eight incorrect client matter balances and omitted a debit balance relating to Client C.

The Applicant's Case with respect to Allegation 1.3.3

- 32.2 Rule 8.3 of the Accounts Rules required that the bank or building society statements for all client accounts held or operated by the Firm be reconciled with the cash book balance and client ledger total every five weeks and that a record of that reconciliation must be signed off by the COFA or a manager of the Firm.
- 32.3 The Respondent, as the Firm's COFA, had a responsibility to be aware of the requirement that he sign off client account reconciliations.

The Respondent's Case with respect to Allegation 1.3.3

- 32.4 In the Forensic Interview, the Respondent said his accountant prepared the reconciliations and that he did not receive copies or appreciate that, as COFA, he should review and sign them. He accepted that the reconciliations were inaccurate and non-compliant. He accepted he was not compliant with the Accounts Rules.
- 32.5 Within his Answer, he accepted the allegation and reiterated that he was reliant on his accountant.

The Tribunal's Findings with respect to Allegation 1.3.3

- 32.6 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made and that the allegations were proved.
- 32.7 The Tribunal found that the Respondent acted in breach of Rule 8.3 of the Accounts Rules, Principle 2 of the 2019 Principles and Paragraph 9.2(a) of the SRA Code of Conduct for Firms.
33. **Allegation 1.3.4: Late submission of the Firm's accountant's report.**

Facts of the Allegation

- 33.1 The qualified accountant's report for the year ending 30 June 2022 should have been submitted by December 2022 but was not submitted until 27 July 2023, more than six months late.

The Applicant's Case with respect to Allegation 1.3.4

- 33.2 Rule 12.1(b) of the Accounts Rules requires that a qualified accountant's report is delivered to the SRA within six months of the end of the accounting period to which it relates.
- 33.3 As COFA, it was the Respondent's responsibility to ensure that the qualified accountant's report completed for the Firm's accounting period 1 July 2021 to 30 June 2022 was submitted to the SRA in accordance with the timescales set out in Rule 12.1(b) Accounts Rules.
- 33.4 The Respondent failed to comply with that requirement. It was not appropriate for the Respondent to leave the submission of the accountant's report solely to the accountant and to fail to maintain oversight of the submission of the report.

The Respondent's Case with respect to Allegation 1.3.4

- 33.5 In interview, the Respondent stated that he had trusted the accountant to submit the report on time but stated that he had reminded him of the December deadline.
- 33.6 Within his Answer, he admitted the allegation and reiterated that he was reliant on his accountant.

The Applicant's Case with respect to Allegations 1.3.1 – 1.3.4

- 33.7 Mr Brassington submitted that the Respondent's misconduct in relation to the Accounts Rules was in breach of Principle 2 (public trust) of the 2019 Principles and paragraph 9.2(a) of the Code 2019.
- 33.8 Paragraph 9.2(a) of the Code of Conduct for Firms required the COFA to take all reasonable steps to ensure compliance with the Accounts Rules. As sole owner, manager and COFA, the Respondent remained responsible for oversight and could not delegate

that responsibility to his accountant.

- 33.9 The Respondent maintained incomplete ledgers for convenience, was unaware of the cashbook requirement, did not review or sign the relevant reconciliations and failed to ensure timely submission of the qualified accountant's report. Reliance on an external accountant did not displace his responsibilities as COFA.
- 33.10 Mr Brassington submitted that the repeated admitted failures, including improper use of client account, incomplete records, inaccurate reconciliations and late regulatory reporting, undermined public trust and confidence contrary to Principle 2 of the 2019 Principles.

The Tribunal's Findings with respect to Allegation 1.3.4

- 33.11 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made and that the allegations were proved.
- 33.12 The Tribunal found that the Respondent acted in breach of Rule 12.1(b) of the Accounts Rules, Principle 2 of the 2019 Principles and Paragraph 9.2(a) of the SRA Code of Conduct for Firms.

34. **Allegation 1 – 1.4 As MLCO, MLRO and sole manager of the Firm, the Respondent failed to ensure that the Firm complied with the obligations imposed upon it by the MLRs 2007 and/or the MLRs 2017, in respect of any or all of the following matters:**

(1.4.1) Between September 2022 and 7 May 2024, the Firm did not have in place any, or any compliant.

(1.4.1.1) firm-wide risk assessment ('FWRA'), as required by Regulation 18 MLRs 2017; and/or

(1.4.1.2) policies, controls, and procedures ('PCPs') as required by Regulation 19 MLRs 2017. In so doing, he breached of any or all of Principle 2 of the 2019 Principles, and Paragraphs 2.1(a), 3.1 and 8.1 of the Code for Firms.

(1.4.2) Between January 2016 and February 2019, in relation to the matter of Client A, he failed to:

(1.4.2.1) Take measures to establish source of funds, contrary to Regulation 8(2)(a) of the MLRs 2007 and Regulation 28(11)(a) of the MLRs 2017; and/or

(1.4.2.2) Undertake client and matter risk assessments, contrary to Regulation 7(3) of the MLRs 2007 and Regulations 28(12) and 28(13) of the MLRs 2017.

In doing so, he breached any or all Principles 6, 7 and 8 of the 2011 Principles and failed to achieve Outcome 7.3 and Outcome 7.5 of the 2011 Code.

(1.4.3) Between 9 November 2022 and 7 December 2022, in relation to the matter

of Client D, he failed to:

(1.4.3.1) Take measures to establish source of funds, contrary to Regulation 28(11)(a) of the MLRs 2017; and/or

(1.4.3.2) Undertake client and matter risk assessments, contrary to Regulations 28(12) and 28(13) of the MLRs 2017.

In doing so, he breached any or all of Principle 2 of the 2019 Principles, Paragraph 7.1 of the 2019 Code and Paragraphs 3.1 and 8.1 of the Code for Firms.

The Applicant's Case

- 34.1 Allegations 1.4.1–1.4.3 were admitted. They concerned the Firm's anti-money-laundering framework and the application of customer due diligence (CDD), risk assessment, source-of-funds scrutiny and ongoing monitoring of Clients A and D.
35. **Allegation 1.4.1: Firm-Wide Risk Assessment and Policies, Controls and Procedures.**

Facts of the Allegation

- 35.1 The MLRs 2017 required the Firm to identify and assess its money-laundering and terrorist-financing risks (Regulation 18) and to establish and maintain policies, controls, and procedures (**PCPs**) to mitigate and manage those risks (Regulation 19).
- 35.2 SRA Warning Notices in 2019 stated that a firm-wide risk assessment (**FWRA**) must be written, current and tailored to the firm's risks. In January 2020, the Respondent declared to the SRA that the Firm had a "*fully compliant firm-wide risk assessment*".
- 35.3 When the FIO requested the FWRA in July 2023, the Respondent produced an undated document which he later said had been prepared around September/October 2022 and the previous version had not been retained. It was alleged that the FWRA did not adequately address the Firm's customers, geographic areas, products and services, transactions, and delivery channels, and that the PCPs did not adequately address core Regulation 19 requirements.
- 35.4 Regulation 19 required PCPs to be proportionate to the Firm's size and nature and to address the practical measures by which identified risks would be mitigated and managed. The Applicant's case was that the documents produced did not adequately cover client identification and CDD, PEPs, client and matter risk assessment, ongoing monitoring, simplified and enhanced due diligence, unusual or complex transactions, sanctions, high-risk jurisdictions, and record keeping.
- 35.5 The Respondent maintained in interview that he had sufficient knowledge of the MLRs and that the documents addressed most relevant requirements. The allegation was nevertheless admitted.

The Applicant's Case with respect to Allegation 1.4.1

- 35.6 It was submitted that the admitted failures breached paragraphs 2.1(a), 3.1 and 8.1 of the Code of Conduct for Firms.
- 35.7 The MLRs 2017 had been in force for five years by the time these documents were produced, during which the SRA and the Legal Sector Affinity Group had issued relevant guidance, and the SRA had expressly warned firms of the consequences of failing to maintain a compliant FWRA. The Respondent failed to have adequate regard to these requirements and guidance and, as COLP and the Firm's sole owner and manager, was responsible for ensuring compliance.
- 35.8 The conduct also breached Principle 2 (public trust) of the 2019 Principles. As COLP, sole owner and manager, the Respondent was responsible for ensuring that the Firm's AML framework complied with the MLRs and relevant guidance.
- 35.9 The Respondent's failure to ensure that the Firm maintained compliant risk assessments and PCPs exposed the Firm and its clients to the risk of being used for money laundering and terrorist financing. This conduct undermined public trust and confidence in the solicitors' profession.
- 35.10 Mr Brassington submitted that as COLP, sole owner and manager, the Respondent was responsible for ensuring that the Firm's AML framework complied with the MLRs and relevant guidance.

The Respondent's Case with respect to Allegation 1.4.1

- 35.11 In interview, the Respondent maintained that he had sufficient knowledge of the MLRs 2017 and that the document addressed most FWRA requirements.
- 35.12 The Respondent confirmed that the undated document provided to the FIO was the Firm's PCP. He maintained that it complied with Regulation 19 because it asked questions about transaction type, complex transactions, source and destination of funds, risk assessments, identity documents, whether the client was known to the Firm and non-face-to-face transactions.
- 35.13 Within his Answer, the Respondent admitted the allegation.

The Tribunal's Findings with respect to Allegation 1.4.1

- 35.14 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made and that the allegations were proved.
- 35.15 The Tribunal found that the Respondent acted in breach of Principle 2 of the 2019 Principles and Paragraphs 2.1(a), 3.1 and 8.1 of the Code for Firms.
36. **Allegation 1.4.2: Failures to comply with MLRs 2007 and 2017 in respect of Client A.**

Facts of the Allegation

- 36.1 The MLRs 2007 and, subsequently, the MLRs 2017 required firms to undertake appropriate customer due diligence (**CDD**), assess the risk associated with a client and transaction, and conduct ongoing monitoring, including scrutiny of transactions and source of funds. The extent of CDD was required to be risk-sensitive, having regard to the nature and size of the transaction and the client relationship.
- 36.2 Client A instructed the Firm in August 2016 to purchase Property A for £56,950 in cash. Contracts were exchanged on 21 September 2016. The developer of Property A went into administration in April 2018. The purchase price was increased to £64,923 by the administrator.
- 36.3 The payment history was as follows:
- September 2016–January 2019: Client A made nine payments totalling £87,028 into the Firm’s client account.
 - 21 January 2019: The Firm refunded £21,585 to Client A because the sellers were not ready to complete.
 - 8–19 February 2019: Client A made further payments totalling £22,163 to the Firm.
 - 26 February 2019: The purchase completed. As of 15 September 2023, the purchase had not been registered with HM Land Registry.
- 36.4 There were also discrepancies concerning Client A’s address. The Firm’s file recorded Northumberland Road, while correspondence from the developer dated 22 August 2016 gave Dorset Court as Client A’s address.
- 36.5 The only source-of-funds evidence obtained by the Firm was a bank annual summary for November 2014 to November 2015, showing an average balance of £295.49.
- 36.6 It was alleged that, in circumstances involving a substantial cash property purchase, multiple and substantial payments through the Firm’s client account, a refund followed by further payments, and limited evidence of source of funds, the Firm failed to undertake adequate, risk-sensitive CDD and ongoing monitoring as required by the MLRs 2007 and 2017.

The Applicant’s Case with respect to Allegation 1.4.2

- 36.7 The requirements to assess client and matter risk, undertake appropriate CDD and scrutinise source of funds are well established under the MLRs 2007 and reinforced by the MLRs 2017.
- 36.8 Despite those requirements, the Respondent failed to undertake adequate risk assessment, CDD or source-of-funds enquiries in relation to Client A between 2016 and 2019. He failed adequately to address the risks arising from the substantial cash property purchase, the significant movement of funds through the client account, and the absence of satisfactory source-of-funds evidence. By his own admission, client and matter risk

assessments were not introduced until 2022.

- 36.9 Those failures amounted to breaches of Principles 7 (Compliance with legal and regulatory obligations) and 8 (financial and risk management principles) of the SRA Principles 2011 and Outcomes 7.3 and 7.5 of the SRA Code of Conduct 2011. The Respondent failed both to comply with his legal and regulatory obligations and to maintain adequate systems and controls to identify, monitor and manage money-laundering and compliance risks. As COLP, sole owner and manager of the Firm, and the fee earner responsible for Client A's transaction, responsibility for ensuring compliance rested with him.
- 36.10 The conduct also breached Principle 6 (Public Trust) of the 2011 Principles. An experienced solicitor and COLP was expected to recognise and respond appropriately to money-laundering risk and to safeguard money entrusted to the Firm. His failures exposed the Firm to the risk of being used for money laundering, undermining public trust and confidence in the solicitors' profession.

The Respondent's Case with respect to Allegation 1.4.2

- 36.11 In interview, the Respondent accepted that expected financial information from Client A's accountant was not received or followed up, that he regarded funds arriving from a bank account as a legitimate source, and that he was unaware of the requirement for client/matter risk assessments before 2022.
- 36.12 Within his Answer, he accepted the allegation and the shortcomings in his documentary systems. The Respondent noted that there is no evidence of actual money laundering.

The Tribunal's Findings with respect to Allegation 1.4.2

- 36.13 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent's admissions were properly made and that the allegations were proved.
- 36.14 The Tribunal found that the Respondent acted in breach of Principles 6, 7 and 8 of the 2011 Principles and failed to achieve Outcomes 7.3 and 7.5 of the 2011 Code.

37. Allegation 1.4.3: Failures to comply with MLRs 2017 in respect of Client D.

Facts of the Allegation

- 37.1 Client D instructed the Respondent on 9 November 2022 to purchase Property D for £590,000. Client D lived in the USA, was described as a diamond dealer and there had been no face-to-face contact between him and the Respondent. The transaction was to be funded in cash.
- 37.2 The Respondent contacted Lawyer D on 31 October 2022 to request a payment of fees on account and asked for confirmation of the source of the funds.
- 37.3 The only bank statement initially held on file, however, was in the name of Person D, Client D's brother, rather than Client D.

- 37.4 A money laundering risk assessment was started on 20 October 2022 and completed by the Respondent on 9 November 2022. This risk assessment referred to Lawyer D having “*guaranteed KYC and source of funds*”.
- 37.5 After contracts were exchanged on 2 December 2022, Person D confirmed that he had provided funds of \$738,000. The purchase completed on 7 December 2022.
- 37.6 It was alleged that the Respondent failed to undertake adequate CDD, risk assessment and source-of-funds enquiries as required by the MLRs 2017 and placed undue reliance on a third party rather than satisfying himself that the necessary due diligence had been undertaken.

The Applicant’s Case with respect to Allegation 1.4.3

- 37.7 Mr Brassington submitted that the Respondent failed to undertake adequate CDD, risk assessment and source-of-funds enquiries and placed undue reliance on a third party. The admitted conduct breached paragraph 7.1, paragraphs 3.1 and 8.1 of the Code for Firms, and Principle 2 (public trust) of the 2019 Principles.
- 37.8 The Respondent also failed adequately to investigate Person D’s involvement and source of funds, despite the bank statement showing insufficient funds to meet the purchase price. He relied on Lawyer D, a lawyer outside the jurisdiction, to undertake checks and did not establish the source of the £9,811.93 shortfall.
- 37.9 As COLP, sole owner and manager of the Firm, and the fee earner responsible for the transaction, the Respondent was responsible for ensuring compliance with the MLRs 2017.
- 37.10 As an experienced solicitor, COLP and sole owner and manager of the Firm, the Respondent was expected to understand and comply with the MLRs 2017 and to take appropriate steps to prevent the Firm being exposed to the risk of money laundering or facilitating the same. The conduct undermined public trust and confidence in the solicitors’ profession.

The Respondent’s Case with respect to Allegation 1.4.3

- 37.11 In interview, the Respondent accepted that he did not know the source of the £9,811.93 shortfall and that he had relied on Lawyer D’s checks. He considered the transaction low risk because money laundering regulations were stricter in America.
- 37.12 Within his Answer, the Respondent accepted the allegation and noted that he had checked the credentials of the client’s US lawyer and believed he could rely upon him.

The Tribunal’s Findings with respect to Allegation 1.4.3

- 37.13 The Tribunal reviewed all the material before it and was satisfied on the balance of probabilities that the Respondent’s admissions were properly made and that the allegations were proved.

- 37.14 The Tribunal found that the Respondent acted in breach of Principle 2 of the 2019 Principles and Paragraph 7.1 of the 2019 Code and Paragraphs 3.1 and 8.1 of the Code for Firms.

Seriousness

38. In approaching each of the allegations, the Tribunal had regard to [Dentons UK and Middle East LLP v SRA \[2026\] EWCA Civ 508](#), in which the Court of Appeal held that there was an inherent requirement of seriousness in determining whether a solicitor's conduct amounted to a breach of the SRA Principles or the mandatory provisions of the SRA Codes. The question for the Tribunal was whether the conduct would be regarded by competent and reputable solicitors as sufficiently serious to be categorised as professional misconduct.
39. The Tribunal was satisfied that the seriousness threshold was met because the Respondent, although not dishonest, had knowingly disregarded professional obligations for his own convenience over several years. He thereby breached the Accounts Rules and failed to comply with anti-money-laundering requirements while acting as COLP and COFA of the Firm. He was also found to have acted without integrity by authorising improper transfers from client to office account for his own convenience.

Previous Disciplinary Matters

40. None

Mitigation

41. Preliminary Matters
- 41.1 Mr Brassington sought, and was granted, leave to address the Tribunal on the question of sanction on the basis that, on this occasion, it was fair and in the public interest to do so.
- 41.2 He submitted that the Tribunal should consider a significant sanction given the seriousness of the Respondent's breaches, although he did not help the Tribunal by failing to give any indication of what he considered an appropriate sanction to be. Mr Brassington highlighted that the Respondent's proven conduct had not been spontaneous but had been self-described as his normal practice. He emphasised that it had continued over a significant period, from 2016 until the Firm closed in 2024. He submitted that there was a clear need for the Respondent to be prohibited from controlling client money. Although the Respondent's disregard for the rules of the profession had not caused actual harm to individual clients, it had affected public confidence in the profession and created a need to mitigate any future risk.
- 41.3 Mr Williams asserted that the Respondent was a man of previous good character, notwithstanding his admitted breaches of the Accounts Rules, and contrary to any suggestion made by Mr Brassington that he was not.

The Respondent's Case

- 41.4 Mr Williams reminded the Tribunal that the Respondent was 74 years old and had been a solicitor of good character for 29 years with no prior disciplinary matters. He had provided the Tribunal with an array of testimonials from legal professionals who knew him well, and, with full knowledge of the issues under scrutiny, who had confirmed his honesty.
- 41.5 The Respondent was never financially motivated in his failings and had not received any complaints from his clients. Once his errors were brought to his attention he sought to protect the sanctity of his client account. He ceased his practice in May 2024 and did so in an orderly manner with the correct insurance in place. He had behaved impeccably, with insight as to what had gone wrong, and with remorse.
- 41.6 Mr Williams submitted that the administrative failings to which the Respondent had admitted were the less serious aspects of the case brought against him and should have been dealt with under the Applicant's internal powers. Only 1% of the Respondent's work was within scope of the MLRs and he always knew his client when undertaking that work; the failings were simply administrative. The Respondent did not intend to run his own firm again.
- 41.7 Regarding Allegation 1.3.1, Mr Williams pointed out that the payments made by the Respondent on behalf of Client B were made on instructions and were legitimate, albeit in technical breach of the Accounts Rules. Client B was resident in Nigeria but needed to make a payment to a UK university on his son's behalf. The Respondent was seeking to avoid the reduction in value of the funds which would have been occasioned by them being transmitted to Nigeria first, and then back to the UK.
- 41.8 Client C was also based in Nigeria and was unwell and living in difficult circumstances. The Respondent sold a London property on his behalf and then paid £410,000 directly to Client C's daughter, and a much smaller sum to a friend of Client C. The reasons were the same – Client C, like Client B, did not have a UK bank account and wished to avoid transaction fees. The payments were again legitimate.
- 41.9 The Respondent knew the source of the funds and knew the clients. There was no loss to any third party and no gain to him.
- 41.10 Allegation 1.3.2 concerned failures to keep accounting records properly written up. Mr Williams submitted that the client side of the ledgers were properly maintained; the errors were only in the office ledgers, which was why no client suffered any loss. The Respondent was let down by his accountant.
- 41.11 Allegation 1.3.3 concerned the failure to undertake proper client reconciliations between April and July 2023. Whilst there were eight incorrect balances in this period, Mr Williams emphasised that this only led to two inadequate reconciliations, in a period of 29 years. In his Forensic Interview, the Respondent explained the remedial steps he was taking to prevent this ever happening again – employing a new accountant and reviewing the reconciliations monthly.

- 41.12 Allegation 1.3.4 referred to the late submission of the Firm's accountant report for the year ending 30 June 2022. In the Forensic Interview, the Respondent had stated that he had trusted his accountant to submit the report on time but stated that he had reminded him of the deadline. Mr Williams emphasised the importance of appreciating that this was a singular incident – there was only one late report out of 58, over a period of 29 years.
- 41.13 Mr Williams referred the Tribunal to the conditions on the Respondent's practising certificate, as set out at paragraph 10 of the Rule 12 Statement. He said that they were not challenged and the Respondent accepted that the Tribunal might wish to continue them, in the interests of protecting the public.

Sanction

42. The Tribunal referred to its Guidance Note on Sanctions (11th edition February 2025) when considering sanction and the proper approach to sanctions, as set out in [Fuglers and Others v SRA](#) [2014] EWHC 179. The Tribunal's overriding objective, when considering sanction, was the need to maintain public confidence in the integrity of the profession. 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.
43. The Tribunal then assessed the level of the seriousness of the misconduct by considering the Respondent's culpability and the harm caused, together with any aggravating or mitigating factors.
44. In assessing culpability, the Tribunal considered that the Respondent's motivation for his misconduct was laziness. He had a disregard for due process and sought out short cuts. His behaviour was planned and was not related to a moment of panic. He was fully responsible for what transpired and, notwithstanding that he was an experienced solicitor, he breached his position of trust.
45. In assessing harm, the Tribunal accepted that there was no actual loss to clients but was concerned that the administrative systems operated by the Respondent meant there was a risk of harm, and this damaged the reputation of the legal profession.
46. The chief aggravating factors of dishonesty and the commission of a criminal offence were absent, but the Respondent knew or ought to have known that he was not acting in accordance with the rules of the profession, and his misconduct was deliberate and sustained for a period of over several years.
47. The Tribunal observed the mitigating factors. The Respondent had shown insight and remorse and cooperated with the Applicant. In terms of the transfers to office account, he had made good the situation as soon as possible. There was no actual harm caused to clients or any third party. The Tribunal noted that the Respondent had no previous disciplinary findings against him and that all the allegations related to the twilight of the Respondent's career as a solicitor with his own practice, and he had sought to mitigate the situation by closing his practice.

48. The Tribunal determined the Respondent's misconduct to be serious, which should be reflected in a fine within level 3.
49. The Tribunal next considered the purpose for which sanctions are imposed, noting that an important purpose of a sanction is to maintain the reputation of the solicitors' profession (Bolton v The Law Society [1994] 1 WLR 512). The damage to the reputation of the profession by the Respondent's misconduct was significant as the public would expect a solicitor to always maintain the sanctity of client account. It was therefore proper that the conditions imposed on the Respondent's practising certificate by the Applicant should be continued by the Tribunal.

Costs

50. Mr Brassington referred to the Applicant's Statement of Costs dated 15 September 2026, in the sum of £64,203.80. Whilst acknowledging that the Applicant had not proved all its allegations, he submitted that the allegations had been properly and reasonably brought, in the interests of justice and the public, and within the guidelines set out in paragraph 47 of the Guidance Note on Sanctions. The Respondent had been the author of his own misfortunes by running his own practice without the necessary supporting administrative skills.
51. Mr Brassington submitted that his position of the allegations being properly brought was reflected in the fact that the Respondent had not made a submission of no case to answer. It should therefore be inferred that the Applicant's case had been reasonably brought, and the Tribunal should apply normal principles on the award of costs.
52. Mr Williams submitted that one allegation had been dismissed in its entirety and that the allegation of dishonesty had not been proved. He proposed that the dishonesty allegation would never have come before the Tribunal had the Applicant's investigators had done their job and thoroughly checked the Respondent's files. It was his position that the allegation in respect of the internal transfers should never have been brought, and any outstanding matters should have been resolved under the Applicant's internal powers. This would have avoided the Applicant's very substantial costs. In any event, the Applicant had made appropriate admissions in his Answer.
53. Mr Williams drew the Tribunal's attention to the Respondent's Statement of Means dated 22 September 2026. He acknowledged that it had been served late and did not contain all the relevant information. He submitted that all the Respondent's monthly income was spent on domestic outgoings and that the situation had just deteriorated because he had been dismissed from his recent employment on 21 September because of the proceedings before the Tribunal. He did not yet know whether he would be re-employed. The Respondent lived in a mortgage-free property worth approximately £800,000, which he owned as a joint tenant with his wife.
54. Mr Williams submitted that if the Tribunal was minded to make a costs order against the Respondent, it should be on the basis that it was not enforceable without the leave of the Tribunal, on the basis that the Respondent's ability to pay would depend on his employment. The Respondent was prepared to submit information on this every six or twelve months.

55. The Tribunal assessed the Applicant's statement of costs in detail, guided by reference to its jurisdiction pursuant to Rule 43 SDPR, and had regard to the conduct of the parties, whether the amount of time spent on the matters was proportionate and reasonable. It determined that the allegations were pursued reasonably, notwithstanding that the Applicant's case had not succeeded in its entirety.
56. The Respondent had provided scant and late information pursuant to Rule 43(5) SDPR regarding his means, without supporting documentation, and the Tribunal noted that he had an asset which was valuable, in his home. The Applicant had not had sufficient time to consider the situation properly. The Tribunal therefore accorded limited weight to the Respondent's stated means and noted that this lack of attention to detail reflected the pattern of behaviour which had led to his appearance before the Tribunal.
57. The Tribunal reduced the costs charged for the forensic investigation, which was lacking in detail and evidence, hampering the Tribunal when making its findings. The Tribunal also reduced counsel's fees on the basis that they had been predicated on a five-day hearing which was reduced to two days.
58. The Tribunal ordered that the Respondent pay the costs of and incidental to this application and enquiry fixed in the sum of £46,620.65.

Statement of Full Order

59. The Tribunal ORDERED that the Respondent, MUSA AUDU, solicitor, do pay a FINE of £10,500.00, such penalty to be forfeit to His Majesty the King, and it further ORDERED that: (1) he shall not act as a manager or owner of an authorised body; (2) he shall not practise on his own account under regulation 10.2 of the SRA Authorisation of Individuals Regulations; (3) he shall not hold or receive client money, or act as a signatory to any client or office account or have the power to authorise transfers from any client or office account and (4) he shall not act as a COLP or COFA for any authorised body, and it further ORDERED that he do pay the costs of and incidental to this application and enquiry fixed in the sum of £46,620.65.

Dated this 23rd day of October 2026

On behalf of the Tribunal

M. N. Millin

M. N. Millin
Chair