SOLICITORS DISCIPLINARY TRIBUNAL

IN THE MATTER OF THE SOLICITORS ACT 1974 Case No. 12909-2026

BETWEEN:

MAX WILEY & CO Appellant

and

SOLICITORS REGULATION AUTHORITY LTD Respondent

Before:

Mrs F Kyriacou (in the chair)
Mrs A Sprawson
Mr A Pygram

Date of Hearing: 22 June 2026

Appearances

Mr Wiley, principal of the Appellant firm, appeared for the Appellant.

Mr Jeremy Scott-Joynt, Counsel, Outer Temple Chambers, 222 Strand, London, WC2R 1BA, instructed by the Respondent.

JUDGMENT ON APPEAL PURSUANT TO PARAGRAPH 14C OF SCHEDULE 2 TO THE ADMINSTRATION OF JUSTICE ACT 1985

Adjudicator's Decision

1. The decision under appeal was the decision of an Adjudication Panel of the Respondent dated 8 January 2026 ("the Panel Decision"), notified to the Appellant by a letter dated 20 January 2026. The Panel Decision upheld, with one variation, an earlier decision of the Respondent's authorised decision maker, Mr P Loughlin, dated 2 September 2025 ("the Adjudicator's Decision").

2. By the Adjudicator's Decision, the Respondent found four allegations proved against the Appellant firm, directed the firm to pay a financial penalty of £3,500, ordered the firm to pay £1,350 towards the Respondent's costs of investigation, and directed that the penalty be published.

3. The four allegations, each were said to arise under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the MLR 2017"), in that the firm:

   - <u>Allegation 1:</u> between 26 June 2017 and 16 May 2025, failed to have in place an appropriate Firm-Wide Risk Assessment ("FWRA") that identified and assessed the risks of money laundering to which it was subject, taking into account all risk factors, pursuant to Regulation 18(2).

   - <u>Allegation 2:</u> between 26 June 2017 and 16 May 2025, failed to establish and maintain fully compliant policies, controls, and procedures ("PCPs") to mitigate and effectively manage the risks of money laundering and terrorist financing, pursuant to Regulation 19(1)(b).

   - <u>Allegation 3:</u> between 26 June 2017 and 1 April 2025, failed to conduct client and matter risk assessments ("CMRAs"), as required by Regulations 28(12)(a)(ii) and 28(13); and

   - <u>Allegation 4:</u> in five of eight matters reviewed, failed to obtain appropriate identification and/or verification documentation, pursuant to Regulations 28(2) and 28(11)(b).

4. The Respondent further found that, by that conduct, the firm had breached Principles 6 and 8 of the SRA Principles 2011 and failed to achieve Outcomes 7.2 and 7.5 of the SRA Code of Conduct 2011 (to the extent the conduct occurred before 25 November 2019), and had breached Principle 2 of the SRA Principles 2019 and paragraphs 2.1(a) and 3.1 of the SRA Code of Conduct for Firms 2019 (to the extent the conduct occurred thereafter).

5. In determining sanction, the Respondent assessed the nature of the conduct as "more serious" and the impact, or risk of harm, as "medium", placing the matter in Conduct Band C. The penalty was fixed at the higher end of that band (Band C4), being 2.8 per cent of the firm's most recent annual domestic turnover of £125,000, producing a basic penalty of £3,500. No mitigating factors were identified. Publication was directed pursuant to Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules.

6. The Appellant applied for a review of the Adjudicator's Decision on 14 October 2025. By the Panel Decision, the Adjudication Panel upheld the Adjudicator's findings on Allegations 1, 2 and 3 in full, and upheld Allegation 4 in part. In relation to Allegation 4, the Panel found the file concerning the matter of the named client to be compliant, with the result that the finding under that allegation was reduced from five to four of the eight matters reviewed.

7. The financial penalty, the costs order, and the direction as to publication were otherwise undisturbed.

8. The letter of 20 January 2026 notified the Appellant that there was no right of further review of the Panel Decision, but that the firm had a right of appeal to the Tribunal in relation to all or part of the decision, to be exercised within 28 days. It is that appeal which was before the Tribunal.

The Appeal to the Tribunal

9. The Appellant appealed to the Tribunal against the Panel Decision. The appeal was initiated by the Appellant's letter setting out its grounds of appeal, together with supporting documents, and proceeded by way of the Respondent's Response, the Appellant's Reply, and the skeleton arguments of the parties.

10. The grounds of appeal were summarised by Mr Scott-Joynt (who represented the Respondent) in the Respondent's response, and the Appellant accepted, in its Reply, that the grounds had been summarised fairly. The agreed formulation of the grounds, on which both parties proceeded, was as follows:

- <u>Ground 1:</u> a number of failings on the part of the Respondent rendered the Panel Decision wrong or unjust.

- <u>Ground 2</u>: the Adjudicator's Decision was not made by an independent person, but by an employee of the Respondent.

- <u>Ground 3:</u> the Panel failed to take proper account of the size and nature of the Appellant's practice.

- <u>Ground</u> 4: the Panel Decision is misleading in that it suggests the Appellant had argued that it did not need to comply with the MLR 2017.

- <u>Ground 5</u>: in relation to Allegations 1 and 2, the Panel was wrong because it failed to recognise that the MLR 2017 afford sole practitioners a significant measure of discretion as to how money-laundering policies and procedures are to be applied, provided they are applied with reasonableness and honesty.

- <u>Ground 6</u>: in relation to Allegation 3, the Panel was wrong to accept that written CMRAs are required for each client file, when that fell within the discretion properly permitted to a firm such as the Appellant.

- <u>Ground 7</u>: in relation to Allegation 4, the Panel was wrong because it failed to recognise that the obligation to conduct CDD arises at the point at which a business relationship is established, and three of the four relationships in issue long pre-dated the MLR 2017.

- Ground 8: further in relation to Allegation 4, the Panel repeated that error as to the timing of CDD in respect of the fourth relationship and, in any event, overlooked that acceptable CDD was present in the form of a Grant of Representation, a court document.

Background

11. The Appellant, Max Wiley & Co, is a recognised sole practice in North Norfolk. The firm undertakes conveyancing, probate and estate administration, and wills, trusts, and tax planning work. It is the sole practice of Mr Wiley, who holds all of the firm's compliance roles and who informed the Respondent that no other person is employed to carry out work at the firm.

12. The MLR 2017, which came into force on 26 June 2017, impose obligations on firms carrying out work within their scope ("in-scope firms"), which include the Appellant. Among other things, Regulation 18 requires an in-scope firm to carry out and keep a written FWRA; Regulation 19 requires it to establish and maintain Policies, Controls and Procedures (PCPs); Regulation 28 governs customer due diligence ("CDD"), including client and matter risk assessment and the identification and verification of clients; and Regulation 66 confers information-gathering powers on supervisory authorities, of which the Respondent is one.

13. On 1 October 2024, the Respondent's anti-money laundering proactive supervision team carried out a review at the firm to assess its compliance with the MLR 2017. The review was conducted by Ms Victoria Wakley, an AML associate. By an outcome letter dated 11 November 2024, the firm was notified that, in the Respondent's view, its FWRA and PCPs were not fully compliant, that client and matter risk assessments were lacking on the files reviewed, and that there had been a failure to undertake adequate identification and verification checks. The matter was referred to the Respondent's AML investigation team, and the firm was asked to agree a compliance plan setting out actions to be completed between December 2024 and January 2025.

14. Between 11 November 2024 and 15 April 2025, the firm disputed the Respondent's findings and did not comply with the proposed compliance plan. The Respondent was satisfied that the firm had brought itself into full compliance with the MLR 2017 by 16 May 2025.

15. On 3 July 2025, the Respondent's investigation officer, Mr Lee Flanagan, sent the firm a notice and accompanying bundle. The firm responded on 24 July 2025, denying the allegations. The Adjudicator's Decision followed on 2 September 2025. The firm's application for a review was made on 14 October 2025; the Panel Decision was given on 8 January 2026 and notified to the firm on 20 January 2026.

Legal Framework

16. This appeal to the Tribunal is pursuant to Paragraph 14C of Schedule 2 to the AJA 1985. The procedure for the hearing of the appeal is governed by the Solicitors Disciplinary Tribunal (Appeals and Amendment) Rules 2011 which came into force on 1 October 2011.

17. The Tribunal's *Guidance Note on Appeals*, 6th Edition (February 2025), Section C confirms that the Tribunal proceeds by way of a review of the appeal and not by re-hearing the case. The Tribunal does not embark on an exercise of finding the relevant facts afresh. In *Solicitors Regulation Authority v Solicitors Disciplinary Tribunal (Arslan (Interested Party) and The Law Society (Intervening Party))* [2016] EWHC 2862 (Admin) Leggatt J stated (at paragraph 40) that:

> *"More guidance on the proper approach to a review is given in the judgment of Clarke LJ in Assicurazioni Generali SRA v Arab Insurance Group [2003] 1 WLR 577. The passage at paras 14-17 of the judgment was approved by the House of Lords in Datec Electronics Holdings Ltd v UPS Ltd [2007] 1 WLR 1325 at para 46 (Lord Mance). In that passage the point is made that the approach to any particular case will depend upon the nature of the issues under review. Where a challenge is made to conclusions of primary fact, the weight to be attached to the findings of the original decision-maker will depend upon the extent to which that decision maker had an advantage over the reviewing body; the greater that advantage, the more reluctant the reviewing body should be to interfere. Another important factor is the extent to which the original decision involved an evaluation of the facts on which there is room for reasonable disagreement. In such a case the reviewing body ought not generally to interfere unless it is satisfied that the conclusion reached lay outside the bounds within which reasonable disagreement is possible".*

On an appeal under this paragraph, the Tribunal has power to make an order which, *inter alia*: -

- affirms the decision of the SRA.
- revokes the decision of the Society.
- varies the amount of the penalty.
- makes such provision as the Tribunal thinks fit as to payment of costs.

18. The burden of proving that the Adjudicator's decision was wrong or that the decision was unjust because of a serious procedural or other irregularity in the proceedings lay with the Appellant. The standard to which the Appellant was required to prove that the decision was unjust was the civil standard, namely that on a balance of probabilities it was more likely than not that the Adjudicator's decision was unjust.

The Appellant's Case

19. The Appellant's case was that the Panel Decision was wrong, alternatively unjust by reason of serious procedural or other irregularity, and that the four allegations were not made out when the MLR 2017 and the relevant guidance were properly applied to a sole practice of the firm's size and nature.

20. As to Grounds 1 and 2, the Appellant submitted that the Respondent's investigation had been conducted on a false premise. It contended that the AML associate who attended the firm, Ms Wakley, lacked relevant experience of sole practitioner practices. The Appellant pointed to passages in the outcome letter referring to "senior management" and "fee earners" neither of which, it said, existed in a sole practice as indicating that the investigation had been approached as if the firm had a materially different profile. Because compliance under the MLR 2017 depended upon the size and nature of the business, the Appellant argued, this mattered.

21. The Appellant said that it had sought information about Ms Wakley's relevant experience under the Respondent's Transparency Code, with the assistance of its Member of Parliament, but that the Respondent's response of 1 December 2025 had not answered the specific question, relying instead on the prejudice that disclosure would cause to its statutory and public functions, and on the personal data of the individual concerned. Mr Wiley said this request had been made because he had lacked confidence in Ms Wakely's assessment as to whether the firm was compliant with MLR 2017 and that information regarding her level of experience was relevant to whether his case had been appropriately handled by the AML associate.

22. The Appellant further alleged a pattern of conduct on the part of the Respondent which, it said, had obstructed a fair and unbiased analysis of the case. It contended that: the officer who reviewed the investigation officer's ruling had been presented as an "independent adjudicator" but was in fact an employee of the Respondent (Ground 2); the investigation officer's evidence schedule had omitted the firm's email of 22 November 2024, which explained both that the firm had moved office in mid-October 2024 and that the allegations were disputed; the Respondent had failed to honour a timed undertaking, given to the firm and its Member of Parliament, to provide the Transparency Code information by 12 November 2025; and the Respondent had characterised the firm's denials as "resistance" and had treated the occurrence of breaches as a given rather than as allegations requiring proof. The Appellant maintained that, taken together, this rendered the Panel Decision wrong or unjust. By way of a further illustration of what it characterised as flawed methodology, the Appellant referred to an unconnected matter in which the Respondent had alleged, following what it described as a "web sweep" of the firm's website, that the website breached the transparency requirements applicable to solicitors; the Appellant said that allegation had been factually wrong, that he had been unable to obtain confirmation that any person had in fact read the website, and that the Respondent had later withdrawn it.

23. As to Grounds 3, 4 and 5, the Appellant submitted that it is a core concept of the MLR 2017 that compliance steps take into account the size and nature of the business (Regulation 18(3)). It relied on guidance issued by the Legal Sector Affinity Group Anti-Money Laundering Guidance for the Legal Sector ("the LSAG Guidance"), and in particular on a passage stating that a sole practitioner would not be expected to devote

the same level of resources as a large practice, but would be expected to develop appropriate systems and controls and a risk-based approach proportionate to the scope and nature of the practice and its clients. The Appellant contended that the Panel Decision (at paragraphs 5.3 and 5.4) had omitted that central sentence and had thereby mischaracterised its case as a claim to exemption from the MLR 2017, when its case was that it had applied the MLR 2017 appropriately to a firm of its size and nature (Ground 4). The Appellant emphasised that the guidance required a sole practitioner to "develop" appropriate systems and controls, which connoted a genuine and wide measure of discretion, to be exercised honestly and reasonably rather than as a licence to do as one wished; risks the Appellant regarded as inapplicable to a small rural practice, such as proliferation financing, had on the Appellant's case been properly treated as giving rise to no steps to take.

24. The Appellant argued that, because the Respondent contributed to the LSAG Guidance, the discretion that the guidance confers on practitioners is real, and that, provided that discretion is exercised honestly and reasonably, a regulatory breach is not established merely because another practice might have adopted different policies or methodologies (Ground 5).

25. The Appellant said that its FWRA and PCPs represented a focused application of the MLR 2017 to the realities of the firm: eighteen risks had been identified, while risks the Appellant regarded as fanciful or irrelevant to the practice had not been. The Appellant developed this into a structural objection. Where a wide discretion was conferred, another person could always say that matters could have been done differently; but if the Respondent's preference were permitted to prevail through a four-stage internal process, and the appeal were then confined to whether the resulting decision lay outside the bounds of reasonable disagreement, a practitioner who had exercised the discretion honestly and reasonably would be propelled towards a finding of breach merely because the Respondent would have approached the task differently.

26. As to Ground 6, and in relation to Allegation 3, the Appellant submitted that Regulations 28(12)(a)(ii) and 28(13) do not prescribe written individual CMRAs. It contended that whether such assessments were recorded in writing fell within the discretion afforded by the LSAG Guidance, the more so because the checklist issued by the Respondent at the time the firm's documentation was put in place had presented written CMRAs as an example of possible compliance rather than as a mandatory requirement. The Appellant added that, had written client and matter risk assessments been mandatory in the same way as the firm-wide risk assessment and the policies, it would have made no sense for the firm to have reduced the first two to writing while omitting the third. He also said that, following discussion with the Respondent, the firm had in any event introduced written client and matter risk assessments, including on existing files, in May and June 2025, but had done so without prejudice to its contention that its earlier approach had been compliant.

27. As to Grounds 7 and 8, and in relation to Allegation 4, the Appellant submitted that the obligation to carry out CDD arises when a business relationship is established (Regulation 27(1) (a)), with the consequence that, where a relationship pre-dated the 2017 Regulations and the CDD requirements then applicable had been observed, there was no obligation to re-verify identity by reference to those Regulations. Three of the four files remaining in issue it was said were in that category with relationships

established years, and in some instances decades, before the MLR 2017 were introduced (Ground 7). Developing the point orally, the Appellant submitted that establishing a business relationship and carrying out repeat work of the same risk profile for an existing client were mutually exclusive: a relationship was established when the first work was undertaken, and subsequent work of the same character did not establish it afresh. He relied on the LSAG Guidance as to the element of duration inherent in a business relationship and observed that he met such clients in person. He gave as an example the matter of a client and former auditor of the firm of some forty years' standing, whose recent correspondence had described the ending of the professional relationship as the "end of an era"; the firm acted, he said, for a number of clients across two or three generations.

28. As to the fourth file, the Appellant submitted that the client had been identified by a Grant of Representation, which is a court document, and that the Panel Decision (at paragraph 5.22) had wrongly treated the matter as turning merely on the longevity of the client relationship. The Appellant added that the Respondent had accepted a Grant of Representation as sufficient evidence of identity in another file (F), in which it had dropped the allegation, and could not consistently reject it in the present case (Ground 8). In oral submissions the Appellant explained that the client and their spouse had attended his office in person in connection with a deed of variation, had produced their passports, from which he had noted their dates of birth, and that the file also held the grant of probate of the deceased, a sworn court document giving the client's name and address. He accepted that he had not retained a copy of the passports but maintained that he had established identity by reference to a government document.

29. In support of its case the Appellant relied, both in its skeleton argument and in oral submissions developed at the hearing, on Mr Wiley's professional background and on the particular character of the firm. Mr Wiley had practised since 1993, latterly as a sole practitioner but earlier in a range of larger and partnership firms, which, he said, equipped him to understand how the size and structure of a practice bear upon its compliance obligations. The firm had practised from Holt, a small market town in rural Norfolk, throughout the period relevant to the allegations; its staffing was stable and long-serving; and its work was drawn overwhelmingly from existing clients and personal recommendation, the firm having never advertised and not acting for clients it had not met or who instructed it remotely.

30. The Appellant emphasised that his professional indemnity insurer required the firm to use a particular electronic means of client identification and independently verified its use in half of the firm's cases, with a financial consequence for non-compliance, and that in thirty-three years of practice the firm had never been the subject of a claim, never mind any successful claim. He relied on his conduct in other cases where he has refused to act due to suspicion of nefarious activity providing an example of a substantial Land Registry compensation matter where he suspected fraud and in which a fraudster had used a near-identical email address and a falsified passport to misappropriate the proceeds of sale of a client's property, as evidence of his familiarity with the methodologies of fraudsters and the consequences of inadequate due diligence; the client concerned was among the eight whose files had been reviewed. He also relied on an incident in 2025 in which he had intervened in a violent robbery near his home, given first aid to the victim and assisted the police, as demonstrating that he is a person who would put his head above the parapet to do the right thing.

The Respondent's Case

31. Mr Scott-Joynt, for the Respondent, submitted that each of the grounds of appeal should fail and that the appeal should be dismissed. He emphasised that the appeal was by way of review and not rehearing; that the burden lay on the Appellant; and that the standard of proof was the balance of probabilities. The Respondent relied on *SRA v SDT (Arslan)* [2016] EWHC 2862 (Admin) and *Re Sprintroom Ltd* [2019] EWCA Civ 932 for the propositions that the Tribunal ought not to interfere with a finding of primary fact unless it was "plainly wrong", and ought not to disturb an evaluative judgment unless satisfied that the conclusion lay outside the bounds within which reasonable disagreement was possible, or that there was some identifiable flaw such as a gap in logic, a lack of consistency, or a failure to take account of a material factor which undermined the cogency of the conclusion.

32. Mr Scott-Joynt submitted that the Panel had upheld three of the four findings in full and the fourth in large part and had in each case cited the MLR 2017 and the relevant guidance accurately. He contended that the departure from the Adjudicator's Decision in respect of one of the five files under Allegation 4 itself demonstrated a careful and independent assessment of the evidence.

33. As to Grounds 1 and 2, the Mr Scott-Joynt submitted that these were directed at the conduct of the Respondent's staff rather than at the findings of the Panel and were immaterial unless the conduct complained of (which was not admitted) had led to an identifiable error in the Panel Decision, no such causal link having been alleged. The Panel, he said, had considered the LSAG guidance and the MLR 2017 for itself, and the Appellant's real complaint was that it continued to disagree with the outcome of the investigation, that outcome not having been a given from the outset but its result.

34. In oral submissions Mr Scott-Joynt addressed these matters and made clear that the Respondent had never alleged dishonesty or bad faith on the part of the firm; it accepted that the firm had acted in good faith and in the honest belief that its approach was satisfactory, and the Respondent's case was simply that, judged objectively, the firm had got it wrong. Under Regulation 46 it was the Respondent's statutory duty, as supervisory authority, to reach that judgment, and in doing so it was not merely a party that happened to disagree. The Respondent accepted that the AML associate's references to "senior management" and to "fee earners" were unfortunate, and possibly errors, but submitted that they belonged to the first of four stages, and that the investigation officer, the authorised decision maker and the Adjudication Panel had each recognised the true character of the firm as a sole practice; the analogies the Appellant had drawn with the case of Andrew Malkinson and with prosecuted sub-postmasters (as victims of miscarriages of justice) were not apt. Mr Scott-Joynt accepted that the description of the firm as practising in Norwich had been his own error, and said that the website "web sweep" matter, which concerned a different part of the Respondent's business and had been withdrawn and apologised for, had no bearing on the matters under appeal.

35. As to Ground 3, Mr Scott-Joynt submitted that the discretion afforded to a small practice was not unlimited, and that mandatory provisions of the MLR 2017 remained mandatory. The Panel's assessment of the firm's controls against the risk-based approach was an evaluation of fact, with which the Appellant did no more than disagree,

without identifying any substantial gap in logic or other flaw. The Respondent submitted therefore that the discretion on which the Appellant relied was a discretion as to the means by which a compliant assessment was achieved, and not as to whether the ends required by the Regulations were achieved at all. The firm-wide risk assessment had to be a living document, kept under regular and informed review; the firm's assessment had last been reviewed in late January 2022, shortly before a material change in the sanctions landscape, with no review thereafter, and had not addressed proliferation financing, an assessment of which had been mandatory since 1 September 2022. The Respondent characterised the Appellant's assessment as 'thin', in that it recorded repeatedly that particular risks did not arise and were not anticipated, without evidence that those conclusions had been revisited.

36. As to Ground 4, the Respondent submitted that the relevant provisions of the guidance relating to proportionality had been taken into account, expressly or by implication, and that the Panel had been entitled to conclude that the size and scale of a practice did not axiomatically render it lower risk. The very factors relied upon by the Appellant had, it said, featured in the Panel's reasoning.

37. As to Ground 5, the Respondent submitted that the ground amounted to no more than an assertion that the firm's controls were reasonable, unsupported by any identification of a specific flaw in the Panel's evaluation, which had been made on an interpretation of the MLR 2017 and the guidance that the Appellant had not challenged.

38. As to Ground 6, the Respondent submitted that the Appellant had mischaracterised the Panel Decision, which (at paragraph 5.18) had not found a written CMRA to be a free-standing regulatory requirement. Rather, the failure was a composite one: a client and matter risk assessment was a requirement of CDD, written evidence of CDD had to be retained for the purposes of regulatory oversight, and an unwritten CMRA therefore resulted in a breach of the MLR 2017. The absence of written CMRAs was not in dispute. In oral submissions the Respondent put the matter more precisely: the allegation, properly understood, was not of a failure to record client and matter risk assessments in writing but of a failure to evidence that such assessments had been carried out at all. Mr Scott-Joynt relied on the obligation to apply customer due diligence to existing customers at appropriate times and on becoming aware of changed circumstances (Regulation 27(8) and (9)), on the requirement of ongoing monitoring and of keeping due diligence material up to date (Regulation 28(11)), and on the duty to be able to demonstrate compliance to the supervisor (Regulation 28(16)). The Respondent observed that, on the Appellant's own account, no such assessments had been made for established clients because he had regarded them as unnecessary, which was itself the answer to the ground. He also made the point that whilst Regulation 27(1)(a) required a CDD assessment at the establishment of a business relationship this was not the only time it was required under the MLR 2017.

39. As to Ground 7, the Respondent submitted that the Panel had not projected current identification and verification requirements into the past but had recognised the ongoing obligations arising under Regulation 28(11), in addition to those arising at the outset of a relationship. There was, it said, no challenge to the underlying finding that identification and verification material had been missing on the four files in issue.

40. As to Ground 8, the Respondent submitted that a Grant of Representation did not, of itself, constitute satisfactory identification and verification, the purpose of which was to verify identity and address independently. Reliance on an incomplete record held on a different and earlier file was, it said, a further illustration of impermissible reliance on a long-standing relationship. The Respondent developed the distinction between identification, which was knowing who a client was, and verification, which was holding material capable of proving it: a grant of representation proved a person's standing as personal representative but did not verify their address and was not for that purpose equivalent to the documents on which verification ordinarily depended. It added that due diligence material had to be kept up to date, so that, for example, an expired passport would no longer serve as valid verification.

41. The Respondent also addressed the obligations imposed on supervisory authorities by Regulation 46 of the MLR 2017, and the relationship between breaches of the MLR 2017 and breaches of the Rules.

42. In conclusion, the Respondent submitted that neither the grounds of appeal nor the Appellant's reply identified any error in the Panel's understanding of the law, or any specific flaw in its evaluation of the facts, and that the appeal amounted in substance to a disagreement with the Panel's evaluative judgment, which was not a sufficient basis on which to interfere. The Tribunal was accordingly invited to dismiss the appeal.

The Decision of the Tribunal

43. The Tribunal carefully reviewed the Adjudicator's decision and the parties' submissions, both oral and written. The absence of any reference to a particular submission or document should not be taken as an indication that the Tribunal did not read, hear or consider it. The Tribunal reminded itself at the outset that this was an appeal by way of review and not a rehearing, that the burden lay on the Appellant, and that the standard was the balance of probabilities.

44. It approached the three categories of challenge available to it in the manner set out in the Legal Framework above: questions of law were for the Tribunal to determine; a finding of primary fact would not be disturbed unless it was one that no reasonable decision-maker could have reached; and an evaluative judgment would stand unless it fell outside the range within which reasonable decision-makers might differ. Having considered the documents and the submissions of both parties, the Tribunal was not persuaded that the Panel Decision was wrong, or that it was unjust by reason of any serious procedural or other irregularity. The appeal was therefore dismissed.

45. The organising principle of the Appellant's case, advanced with care by Mr Wiley, was that the MLR 2017 and the LSAG Guidance conferred on a sole practitioner a wide discretion, and that a discretion honestly and reasonably exercised cannot be converted into a breach merely because another practitioner, or the Respondent, would have approached matters differently. The Tribunal accepted, as did the Respondent, that the discretion is real, and that the size and nature of a practice bear directly upon what compliance requires; the approach to compliance with requirements under the MLR 2017 by a sole practice in a rural market town is not to be measured against the apparatus of a large city firm and they will necessarily differ. But the Tribunal considered that this principle, correct as far as it went, did

not carry the weight the Appellant placed upon it.

46. The discretion went to the manner in which the required tasks are approached and documented, the *"how"*. It did not extend to whether the tasks were performed at all, or whether the outcomes the Regulations require were in fact achieved. A practitioner retained a broad latitude in how they assess and record risk; they do not have a discretion to conclude that the assessment need not be made, or need not be evidenced. Furthermore, the LSAG Guidance is just guidance and does not trump the legislation, and the discretion it describes must operate within the mandatory provisions of the Regulations. To the extent that Grounds 3 and 5 contended otherwise, they proceeded on a misunderstanding of the nature of the discretion relied upon, and the Tribunal rejected them.

47. That distinction was, in the Tribunal's view, dispositive of the substance of the appeal, and it ran through each of the allegations the Appellant sought to challenge. In relation to the FWRA (Allegation 1), the Regulations and the Guidance require a document that is not a single snapshot but is reviewed on a sufficiently regular basis to remain current, and that does identify, address and record the risk factors to which the practice is or could be subject to.

48. The Tribunal was satisfied that it was open to the Panel to reasonably conclude that the firm's FWRA did not meet that standard required for compliance with the firm's obligations under the MLR 2017. It had last been reviewed in January 2022, some four weeks before a profound change in the international sanctions landscape, and there was no evidence of any review thereafter. Nor, for example, did it address proliferation financing, which had been a mandatory component of any such assessment since 1 September 2022 by way of Regulation 18A MLR 2017.

49. The Appellant's answer, that proliferation financing was self-evidently irrelevant to a practice such as his, illustrated rather than answered the difficulty. It may well be that the risk was negligible and that the proper conclusion was that no further measures were required; but the obligation was to undertake that consideration and to record having done so. The error was not that the Appellant reached the wrong conclusion, but that, on the face of the document, the exercise of considering and recording was not carried out. The recurring entries to the effect that a given risk did not arise and was not anticipated, left un-revisited across a period of years, were symptomatic of an assessment that had ceased to be a 'living document' and one which did not carry out the required intention of the law.

50. The same analysis applied to the PCPs (Allegation 2), which the Tribunal found to be 'thin' against the requirements of Regulation 19, and which contained no real provision for the monitoring of compliance, and to the client and matter risk assessments (CMRAs) (Allegation 3) so as to be reasonably open to the Panel to conclude that there had been inadequate compliance with the requirements under the MLR 2017. As to the CMRAs, the Appellant's challenge under Ground 6 was directed at the proposition that the MLR 2017 mandate a CMRA in writing on each file. The Tribunal did not need to resolve that question in the terms in which the Appellant put it, because the allegation, properly understood, was not of a bare failure to reduce assessments to writing but of a failure to be able to demonstrate that the assessments had been carried out at all. On the Appellant's own account, the

explanation for the absence of any such record was that he had regarded fresh assessment as unnecessary in the case of established and returning clients whom he knew. That submission was itself the answer to the ground: a firm cannot demonstrate to its supervisor, the SRA (as Regulation 28(16) requires it to be able to do) that an assessment has been made where, on its own case, the assessment was treated as dispensable. The duty to evidence assumes the duty to assess and re-assess, and the Appellant's position was that, for this class of client no re-assessment was ever undertaken.

51. That reasoning carried directly into Allegation 4 and Grounds 7 and 8. The Tribunal accepted that the establishment of a business relationship is a trigger for customer due diligence under Regulation 27, but it did not accept the Appellant's contention that this exhausts the obligation. As well as setting out other situations where a CDD is required (see Regulation 27(1)(b) – (d)), the Regulations also impose ongoing monitoring and require that the documents obtained for due diligence purposes be kept up to date; information, and identity documents in particular, grow stale with the passage of time. A relationship of long standing does not relieve a practitioner of the requirement that identity be verified, as distinct from known. The Tribunal accepted the distinction, properly drawn by the Respondent, between identification and verification: knowing who a client is, however confidently and however long the acquaintance, is not the same as holding material capable of proving it. Where verification material was absent from the files in issue, the due diligence was deficient, and the Panel was entitled to so find.

52. As to the grant of representation relied upon in the remaining matter, the Tribunal was satisfied that such a document proves a person's standing as personal representative; it does not verify that person's address and is not for that purpose equivalent to the documents on which verification ordinarily depends. The Appellant's argument that the Respondent had treated a grant as sufficient in the matter it had not pursued, and could not consistently reject it here, did not assist him, because the documents do not establish that the two matters were materially the same; and in any event the question for the Tribunal was whether the Panel's conclusion on the files before it was open to it, which it was.

53. For completeness, the Tribunal addressed the Appellant's complaint (Ground 4) that the Panel Decision had misrepresented his case as a claim that he was exempt from the MLR 2017. The Tribunal did not consider that the decisions had characterised his case in this way. When the Appellant was invited to identify the document in which he had been accused of claiming exemption, the only material located was the Respondent's letter to his Member of Parliament, which did not go that far, stating that the flexibility afforded to smaller firms "does not exempt him from complying with the requirements of the MLR". The "exemption" framing thus originated in the Appellant's own characterisation of how his position had been treated, rather than in anything the Respondent had asserted against him. The ground was not made out.

54. There remained the Appellant's wider complaint, advanced under Grounds 1 and 2 and pressed in his reply, that the Respondent's handling of the matter disclosed a pattern of flawed methodology which should cause the Tribunal to doubt the soundness of the process as a whole. The Tribunal considered these matters with

care. It accepted that the AML associate who attended the firm had made errors in her outcome letter, in referring to "senior management" and to "fee earners" in the plural, when the firm was a sole practice of which Mr Wiley was the only fee earner and the only person who could answer the description of management. The Tribunal also accepted that, in an unconnected matter, the Respondent had wrongly asserted that the Appellant's website breached the transparency requirements applicable to solicitors, an allegation arising from what was described as a "web sweep", which the Respondent subsequently retracted, with an apology. Whilst the Tribunal understood the Appellant’s frustration, it did not consider that either matter assisted the appeal. The errors in the outcome letter, though real, did not detract from the conclusions reached, which were considered afresh and endorsed at each of the three subsequent stages by the investigation officer, by the authorised decision maker, and by the Adjudication Panel each of which recognised and proceeded upon the true character of the firm as a sole practice. The website matter concerned an entirely different department and an entirely different subject, was acknowledged and corrected by the Respondent, and had no bearing on the AML findings under appeal. There was no evidence to support the argument that the whole process, right through to the Panel decision had been materially infected by those events.

55. The Appellant invited the Tribunal to draw from these matters an inference of systemic unreliability; the Tribunal did not consider the material capable of bearing that weight. An error that is identified and corrected is not evidence of a process that cannot be trusted, and a flaw at the first stage of a four-stage process does not vitiate a conclusion independently reached at each stage thereafter. No specific taint in the later stages, flowing from the matters complained of, was identified. Grounds 1 and 2 accordingly failed.

56. The Tribunal observed that the Appellant had, understandably but to his disadvantage, approached this matter from a settled starting point. His response to some of the requirements of the Regulations had in substance been to begin from the position that they did not affect a practice such as his, rather than to undertake the exercise the Regulations require and to record the conclusion that a given risk did not arise.

57. The Tribunal was satisfied that the Panel had applied the law correctly and had made findings of fact that were properly open to it and had drawn conclusions from those findings that were well within the range of reasonable evaluation.

58. There was no error of law, and no basis on which the Tribunal could properly interfere with the Panel’s decision, and it therefore dismissed the appeal.

59. The Tribunal noted that Mr Scott-Joynt went out of his way to say that the Appellant’s good faith and honesty were never in issue, that the case was simply that the firm *"got it wrong"*. There was no suggestion the firm nor Mr Wiley was ever used to facilitate crime. Mr Wiley is plainly a conscientious and principled solicitor who acted throughout in good faith and in sincere conviction of the correctness of his position. His difficulty was not one of probity but of approach: he adopted an entrenched view of the requirements of the Regulations. Whilst honestly held, this view did not vitiate the actions of the Respondent nor render the Panel decision irrational or unlawful.

Costs

60. As to costs, the Respondent submitted that costs should follow the event and Mr Scott-Joyner sought an order that the Appellant pay the costs of and incidental to responding to the appeal, in the sum claimed. The Respondent submitted that there had been nothing unreasonable in the way it had conducted the matter, that its own internal costs were modest, and that the greater part of the sum claimed comprised counsel's fees, as set out in the schedule of costs. The costs were claimed on the standard basis and were said to be proportionate, reasonable and reasonably incurred, the summary assessment of an appropriate figure being a matter for the Tribunal.

61. The Appellant accepted that, if the appeal was dismissed, it was difficult to resist an order for costs. He maintained, however, that costs lay within the discretion of the Tribunal, and invited the Tribunal to take into account the criticisms he had made of the Respondent's handling of the matter. He further questioned whether it was open to the Respondent to advance a single, rounded figure that was not itemised, observing that he was not himself an expert on costs.

The Tribunal's decision on costs

62. The Tribunal was required to consider the award of costs pursuant to Schedule 2 paragraph 14C(4)(f) of the Administration of Justice Act 1985 wherein on an appeal under this paragraph, the Tribunal has power to make such order as it thinks fit in relation to the payment of costs.

63. The Tribunal considered the schedule of costs filed by the Respondent. It was satisfied that the costs claimed were reasonable and proportionate for a case of this nature. This was an appeal brought by the Appellant, which the Respondent had been compelled to address, and the Tribunal was satisfied that it was just in those circumstances for the Appellant to bear the Respondent's costs of responding. The Tribunal was satisfied that the Respondent was entitled to its costs and that it was just to order the Appellant to pay the Respondent's costs.

64. The Tribunal considered the Appellant's submission that his criticisms of the Respondent's handling of the matter should weigh against an order for costs but given its judgment on the weight to be applied to those criticisms as set out above it did not regard them as a reason to depart from making a costs order. It was also satisfied that it was able to make a summary assessment of the appropriate figure, notwithstanding that the costs had been presented as a single sum. The Tribunal accordingly ordered the Appellant to pay the Respondent's costs, summarily assessed in the sum of £12,299.00 there being nothing within the contemplation of the Tribunal that would have justified a reduction in the costs claimed by the Respondent.

Statement of Full Order

65. The Tribunal AFFIRMED the decision of the Respondent dated 8 January 2026 and it ORDERED that the appeal of MAX WILEY & CO, the Appellant, made under Paragraph 14C of Schedule 2 to the Administration of Justice Act 1985, be DISMISSED

and it further Ordered that the Appellant was to pay the costs of and incidental to the response to this application fixed in the sum of £12,299.00.

Dated this 2nd day of June 2026
On behalf of the Tribunal

F Kyriacou

JUDGMENT FILED WITH THE LAW SOCIETY
02 JUL 2026

F. Kyriacou
Chair