

Abels

6 College Place, London Road, Southampton , SO15 2XL

**Recognised body
045904**

[Agreement Date: 26 February 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 26 February 2025

Published date: 27 February 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Abels

Address(es): 6 College Place, London Road, Southampton, SO15 2XL

Firm ID: 045904

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Abels (the firm), a recognised body, agrees to the following outcome to the investigation of its conduct by the Solicitors Regulation Authority (SRA):

- a. it is fined £14,416.
- b. to the publication of this agreement.
- c. it will pay the costs of the investigation of £600.

2. Summary of Facts

2.1 We carried out an investigation into the firm following a desk-based review by our AML Proactive Supervision team.



2.2 Our inspection identified areas of concern in relation to the firm's compliance with the Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principals 2019 and the SRA Code of Conduct for Firms 2019.

Client and Matter Risk Assessments (CMRAs)

2.3 As part of the desk-based review, we reviewed six of the firm's files. None of the files contained a document which would constitute a CMRA. The firm therefore failed to meet the requirements of 28(12)(a)(ii) and 28(13) of the MLRs 2017.

2.4 Pursuant to Regulation 28(16) the firm also failed to demonstrate to its supervisory authority that the extent of the measures it has taken to satisfy its requirements under this regulation, by failing to document a client and matter risk assessment on files reviewed.

2.5 We requested that the firm review all its files, that are in scope of the MLRs 2017, to ensure they have a compliant CMRA. Also, to train fee earners on how to complete the CMRAs adequately.

2.6 The firm has implemented a new CMRA, which meets the requirements of Regulation 28 of the MLRs 2017.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017, it has breached or failed to achieve:

To the extent the conduct took place on or before 25 November 2019:

- a. Outcome 7.5 of the SRA Code of Conduct 2011 – which states you comply with legislation applicable to your business, including anti-money laundering and data protection legislation.
- b. Principle 6 of the SRA Principles 2011 – which states you must behave in a way that maintains the trust the public places in you and in the provision of legal services.
- c. Principle 8 of the SRA Principles 2011 – which states You must run your business or carry out your role in the business effectively and in accordance with proper governance and sound financial and risk management principles.

To the extent the conduct took place after 25 November 2019:

- d. Paragraph 2.1(a) of the SRA Code of Conduct for Firms 2019 – which states you have effective governance structures, arrangements, systems and controls in place that ensure you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.



- e. Paragraph 3.1 of the SRA Code of Conduct for Firms 2019 – which states that you keep up to date with and follow the law and regulation governing the way you work.
- f. Principle 2 of the SRA Principles 2019 – which states you act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

4. Why a fine is an appropriate outcome

4.1 The SRA's Enforcement Strategy sets out its approach to the use of its enforcement powers where there has been a failure to meet its standards or requirements.

4.2 When considering the appropriate sanctions and controls in this matter, the SRA has taken into account the admissions made by the firm and the following mitigation:

- a. We have not established, during the course of our investigation, evidence of harm to consumers or third parties and our view is that the risk of repetition is low.
- b. The firm took steps to rectify its failure and started documenting appropriate CMRAs on files and in doing so, is now compliant with the MLRs 2017.
- c. The firm has cooperated with the SRA's AML Proactive Supervision and AML Investigation teams.

4.3 The SRA considers that a fine is the appropriate outcome because:

- a. It was incumbent on the firm to meet the requirements set out in the MLRs 2017. The firm failed to do so. The public would expect a firm of solicitors to comply with its legal and regulatory obligations, to protect against these risks as a bare minimum.
- b. The agreed outcome is a proportionate outcome in the public interest because it creates a credible deterrent to others and the issuing of such a sanction signifies the risk to the public, and the legal sector, that arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.

4.4 A fine is appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. There is nothing within this Agreement which conflicts with what is stated in Rule 4.1 and on that basis a financial penalty is appropriate.

5. Amount of the fine

5.1 The amount of the fine has been calculated in line with the SRA's published guidance on its approach to setting an appropriate financial penalty (the Guidance).



5.2 Having regard to the Guidance, we and the firm agree that the nature of the misconduct was **more serious (score of three)**. This is because the firm failed to conduct CMRAs on files and document them from 26 June 2017 until August 2024, in breach of Regulation 28 of the MLRs 2017. The lack of client and matter risk assessments on files, over such a prolonged period, shows a pattern of behaviour and increases the risks of the firm laundering illicit funds.

5.3 The harm or risk of harm is assessed as being **medium (score of four)**. The nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. We note the firm currently undertakes around half of its work in scope of the money laundering regulations, via conveyancing. This puts it at a greater risk of being used to launder money. There is no evidence of there being any direct loss to clients or actual harm caused because of the firm's failure to ensure it had proper documentation in place.

5.4 The nature and impact scores add up to **seven**. This places the penalty in **Band C**. The Guidance indicates a broad penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover is appropriate.

5.5 In deciding the level of fine within this bracket, the SRA has considered the mitigation at paragraph 4.2 above. Also, the firm confirmed that, as of August 2024, it has started documenting CMRAs on in-scope files. We are pleased to see the firm has been assessing clients and files since our desk-based review. Therefore, the SRA considers a basic penalty towards the lower end of the bracket to be appropriate.

5.6 Based on the evidence the firm has provided of its annual domestic turnover for the most recent tax year, this results in a basic penalty of £16,960.

5.7 The SRA considers that the basic penalty should be reduced to £14,416. This reduction reflects the mitigation set out in paragraph 5.5 (and paragraph 4.2).

5.8 The firm does not appear to have made any financial gain or received any other benefit as a result of its conduct. Therefore, no adjustment is necessary, and the amount of the fine is **£14,416**.

6. Publication

6.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. The firm agrees to the publication of this agreement.

7. Acting in a way which is inconsistent with this agreement

7.1 The firm agrees that it will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7.2 If the firm denies the admissions or acts in a way which is inconsistent with this agreement, the conduct which is subject to this agreement may be considered further by the SRA. That may result in a disciplinary outcome or a referral to the Solicitors Disciplinary Tribunal on the original facts and allegations.

7.3 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of principles 2 and 5 of the Principles and paragraph 3.2 of the Code of Conduct for Firms.

8. Costs

8.1 The firm agrees to pay the costs of the SRA's investigation in the sum of £600. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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