Solicitors Regulation Authority

Taunton Solicitors
2 Tangier Central, Taunton , TA1 4AP
Recognised body
495604

Fined Date: 3 June 2025

Decision - Fined

Outcome: Fine

Outcome date: 3 June 2025

Published date: 5 June 2025

Firm details

No detail provided:

Outcome details

This outcome was reached by SRA decision.

Decision details

1. Agreed outcome

1.1 Taunton Solicitors (the firm), a recognised body authorised and regulated by the Solicitors Regulation Authority (SRA). Agrees to the following outcome of the investigation:

a. Taunton Solicitors is fined £12,327 under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules (the RDPRs)
b. to the publication of this agreement, under Rule 9.2 of the RDPRs, and
c. Taunton Solicitors will pay the costs of the investigation of £600 under Rule 10.1 and Schedule 1 of the RDPRs

2. Summary of Facts

2.1 We carried out an investigation into the firm following an inspection 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 Principles 2011,

the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

3. Allegations

3.1 In all of the files reviewed by the SRA, the firm failed to assess the level of risk, as required by Regulation 28(12) and Regulation 28(13) of the MLRs 2017.

3.2 Between 26 June 2017 and 21 March 2025, the firm 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, identified in any risk assessment (FWRA), pursuant to Regulation 19(1)(a) of the MLRs 2017, and regularly review and update them pursuant to Regulation 19(1)(b) of the MLRs 2017.

4. Admissions

4.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017 that it breached, for conduct up to 24 November 2019 (when the SRA Handbook 2011 was in force):

a. 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.
b. Principle 8 of the SRA Principles 2011 – which states you must run in your business or carry out your role in the business effectively and in accordance with proper governance and sound financial risk management principles.

and the firm failed to achieve:

c. Outcome 7.2 of the SRA Code of Conduct 2011 – which states you have effective systems and controls in place to achieve and comply with all the Principles, rules and outcomes and other requirements of the Handbook, where applicable.
d. 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.

and from 25 November 2019 (when the SRA Standards and Regulations came into force) until 21 March 2025, the firm breached:

e. 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.
f. 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.

g. 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.

5. Why a fine is an appropriate outcome

5.1 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.

5.2 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. There is no 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 failures and has since implemented fully compliant PCPs and a fully compliant CMRA process.
c. The firm has cooperated with the SRA's Proactive Supervision and AML Investigations teams.
d. The firm has admitted the breaches and shown remorse.

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

a. The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating dubious transactions that could have led to money laundering (and/or terrorist financing). This could have been avoided had the firm conducted and documented appropriate risk assessments on its clients and files on in-scope matters.
b. PCPs are fundamental in setting out a firm's approach to practical AML and counter-terrorist financing activities. They should be effective in identifying and mitigating risks within its practice and play an important role in managing the risk of a firm facilitating money laundering and/or terrorist financing.
c. 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.
d. 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.

5.4 Rule 4.1 of the RDPRs states that a financial penalty may be 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 Rule 4.1 of the RDPRs and on that basis, a financial penalty is appropriate.

6. Amount of the fine

6.1 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).

6.2 Having regard to the Guidance, the SRA and the firm agree that the nature of the misconduct was more serious (score of three). This is because although there was no direct loss to clients, the firm's failure to ensure it had proper documentation in place, for at least seven years since the MLRs 2017 came into force, put it at greater risk of being used to launder money, particularly when acting in conveyancing transactions (which forms over half of the firm's practice). The nature of conveyancing is considered high risk, owing to the risk of abuse of the system by criminals. This left the firm at risk of being used to launder money and in turn increased the risk of harm.

6.3 The SRA considers that the impact of the misconduct was medium (score of four). This is because the firm had failed in its duties under multiple aspects of the MLRs. It failed to ensure it had a fully compliant PCPs and was failing to carry out client and matter risk assessments on all of the files reviewed. These requirements go to the heart of effective AML measures. Consequently, there is always a potential risk of harm in these circumstances, especially given the amount of work the firm carries out in scope of the MLRs 2017.

6.4 The nature and impact scores add up to seven. This places the penalty in Band "C" as directed by the Guidance.

6.5 Despite the firm's current compliance, it failed to fully comply with the MLRs 2017 for over seven years, demonstrating a pattern of behaviour which ultimately increased the risks of the firm being used to launder illicit funds. The SRA therefore considers a basic penalty towards the middle of the bracket to be appropriate.

6.6 Based on the information the firm has provided of its annual domestic turnover for the most recent tax year, this results in a basic penalty of £17,610.

6.7 The SRA considers that the basic penalty should be reduced to £12,327. This reduction reflects the mitigation set out in paragraph 5.2 above.

6.8 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 financial penalty is £12,327.

7. Publication

7.1 Rule 9.2 of the SRA RDPRs states that any decision under Rule 3.1 or 3.2, including a Financial Penalty, shall be published unless the particular circumstances outweigh the public interest in publication.

7.2 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.

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

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

8.2 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.

8.3 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.

9. Costs

9.1 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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