Solicitors Regulation Authority

Howard Fitton Solicitors
The Dingle, Lymm , WA13 0AE
Recognised sole practitioner
270386

Fined Date: 14 February 2025

Decision - Fined

Outcome: Fine

Outcome date: 14 February 2025

Published date: 18 March 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Howard Fitton Solicitors

Address(es): The Dingle, Lymm, WA13 0AE

Firm ID: 270386

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this disciplinary decision relate to?

Howard Fitton Solicitors (the firm) is a recognised sole practice whose offices are at The Dingle, Lymm WA13 0AE.

Short summary of decision

The firm was fined for failing to ensure it had relevant documentation in place to prevent activities relating to money laundering and terrorist financing as required by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017).

Facts of the misconduct

The firm is an 'in scope' firm for the purposes of the MLRs 2017.

In March 2024, an SRA AML officer notified the firm that following a desk-based review it was identified that the firm had failed to comply with provisions of the MLRs 2017. The AML officer referred the matter to the SRA's AML investigation team for formal investigation.

The firm was given guidance on what it needed to do to become compliant and immediately took steps to rectify the issues and bring itself into compliance with the MLRs 2017.

It was found that:

1. In six files reviewed, the firm failed to maintain records of its risk assessment under Regulation 28 of the MLRs 2017. Therefore the firm was unable to demonstrate that the extent of the measures it had taken to satisfy the requirements of Regulation 28 were appropriate, as required by Regulation 28(16) of the MLRs 2017.
2. Between 26 June 2017 and 7 May 2024, 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, 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.
3. In respect of 1 and 2 above, to the extent that the conduct took place up to 24 November 2019, the firm breached outcomes 7.2 and 7.5 of the SRA Code of Conduct 2011 and Principles 6 and 8 of the SRA Principles 2011, and to the extent that the conduct took place from 25 November 2019 onwards, the firm 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.

Decision on sanction

It was decided that a financial penalty was an appropriate and proportionate sanction.

The firm was directed to pay a financial penalty of £2,894 and costs of £600.

This was because the firm's conduct was serious by reference to the following factors in the SRA Enforcement Strategy:

- The findings relate to breaches of the MLRs 2017, which protect the public from the serious consequences of money laundering and terrorist financing. The associated risks were heightened given the high proportion of the firm's work that was 'in scope' of the MLRs 2017.
- Its conduct was a breach of its regulatory obligations which persisted for longer than was reasonable.

- The firm was responsible for its own conduct which was serious and had the potential to cause harm to the public interest and to public confidence in the legal profession.
- Any lesser sanction would not provide a credible deterrent to the firm, and others. A credible deterrent plays a key role in maintaining professional standards and upholding public confidence.

In view of the above, the firm's conduct was placed in conduct band C which has a financial penalty of 1.6% to 3.2% of annual domestic turnover. The firm's conduct was placed at band C1 (1.6% of annual domestic turnover).

The following mitigating factors were considered:

- The firm had co-operated fully with the SRA's investigation.
- There was no evidence that harm had actually materialised as a result of the misconduct.
- The firm took immediate steps to bring itself into compliance with the rules.

The financial penalty was reduced by 20% in recognition of these factors.

SRA Standards and Regulations breached

SRA Principles 2011

Principle 6 You must behave in a way that maintains the trust the public places in you and in the provision of legal services.

Principle 8 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.

SRA Principles 2019

Principle 2 You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

SRA Code of Conduct 2011

Outcome 7.2 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.

Outcome 7.5 You comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

SRA Code of Conduct for Firms 2019

Solicitors Regulation Authority

Paragraph 2.1(a) 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.

Paragraph 3.1 You keep up to date with and follow the law and regulation governing the way you work.

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