Solicitors Regulation Authority

Legal & Property Limited (Matthew Waite & Co)

Ariel House, Frogmore Street, Tring , HP23 5AU
Recognised body
471942

Agreement Date: 14 April 2025

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 14 April 2025

Published date: 14 April 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Legal & Property Limited

Address(es): Ariel House, Frogmore Street, Tring, HP23 5AU

Firm ID: 471942

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Legal & Property Limited t/a Matthew Waite & Co (the firm), a recognised body authorised and regulated by the Solicitors Regulation Authority (SRA) agrees to the following outcome to the investigation:

a. Legal & Property Limited will pay a financial penalty in the sum of £19,116, 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. Legal & Property Limited 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 a desk-based review (DBR) carried out by our AML Proactive Supervision team.

2.2 The DBR 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.

Allegations

2.3 Between 26 June 2017 and 3 November 2024, the firm failed to have in place a documented assessment of the risks of money laundering and terrorist financing to which its business was subject (a firm-wide risk assessment (FWRA)), pursuant to Regulations 18(1) and 18(4) of the MLRs 2017.

2.4 Between 26 June 2017 and 28 October 2024, the firm failed to establish and maintain 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.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017, it has 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 3 November 2024, 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.

4. Why a fine is an appropriate outcome

4.1 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 not failed in putting in place a FWRA at the appropriate time and compliant PCPs.

4.2 Our records show that since 2009 (when the SRA started collecting such data), that over a quarter of the firm's work has been in-scope of money laundering regulations, by virtue of conveyancing alone and this area of work has increased significantly to over 85% of the firm's current total work.

4.3 This is a serious breach, as conveyancing is a high-risk area of work. Property is an attractive asset for criminals because of the large amounts of money that can be laundered through a single transaction and because property will tend to appreciate in value. This increased risk was highlighted in the Government's National Risk Assessments and our Sectoral risk Assessments too, since 2017.

4.4 On 27 March 2025, the firm provided its PCPs referred to as 'Office Manual October 2019'. The Legal Sector Affinity Group guidance states that regulation 19 "requires that practices establish and maintain written policies, controls and procedures (PCPs) for identifying, managing and mitigating the risks identified in the Practice Wide Risk Assessment (see 5.3 for more information on the Practice Wide Risk Assessment" and… "PCPs should be reviewed and updated regularly. You must record all changes made to these documents over time".

4.5 A review of these 2019 PCPs by the AML Investigation Officer found them to be non-compliant with Regulation 19 of the MLRs 2017, as they did not cover key mandatory areas required by the regulations.

4.6 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.

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

a. A proportionate outcome in the public interest, creates a credible deterrent to others and the issuing of such a sanction signifies the risk to the public, and the legal sector, which arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.
b. There has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
c. The firm has assisted the SRA throughout the investigation.
d. The firm did not financially benefit from the misconduct.

4.8 Rule 4.1 of the Regulatory and Disciplinary Procedure Rules 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 Regulatory and Disciplinary Rules 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, the SRA and the firm agree the nature of conduct in this matter as more serious (score of three). This is because the firm should have been aware of its obligation to have in place a FWRA since June 2017. In addition, the majority of the firm's work falls within scope of the MLRs 2017. Therefore, the firm should have been familiar with the obligations imposed by the regulations and should have implemented strict adherence. Even though the firm has breached the regulations by not putting in place a FWRA until much later, it should have been prompted to do so when it submitted its declaration in January 2020.

5.3 It is the SRA's view that the firm's previous COLP submitted an inaccurate declaration in 2020 and in doing so, kept the firm in breach of Regulation 18 of the MLRs 2017, for a period over seven years (since the requirement came into force in 2017) and therefore, the conduct has continued after it was and should have been known to be improper and formed a pattern of misconduct.

5.4 In addition to this breach, the firm has been carrying out the majority of its work in high-risk conveyancing, but it has failed to have in place compliant PCPs under the MLRs 2017 until October 2024. Furthermore, our DBR identified four out of the six files showed inadequate customer

due diligence, which included no proof of client addresses, although we note the firm did carry out electronic verification.

5.5 All firms which provide regulated legal services, must be authorised and regulated by the SRA, and in compliance with the regulations, including paying sufficient regard to published guidance and warning notices. There is no exception to this, and the firm has failed to meet the requirements of the regulations for many years. Although, the firm now has compliant documents in place, which are in proper use, the firm was left vulnerable for a period the SRA considers amounting to a serious breach.

5.6 The impact of harm or risk of harm score is assessed as being medium (score of three). This is because although there is no evidence of any harm being caused, as a result of the firm not having a FWRA (until November 2024) and compliant PCPs (until October 2024), given the nature of its work, the lack of compliance is serious.

5.7 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 the majority of its work in scope of the money laundering regulations, via mainly 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, as a result of the firm's failure to ensure it had proper documentation in place.

5.8 On 5 February 2025, the firm provided copies of its client and matter risk assessment templates for individual client, corporate entities and trusts, and a review of these forms show they are considered now compliant. On the same date, the firm provided six completed CMRAs and we consider the firm to be adequately risk assessing its clients and matters now and this includes customer due diligence and source of funds checks. As a result, the firm has taken into consideration our guidance and improved its AML control environment.

5.9 The 'nature' of the conduct and the 'impact of harm or risk of harm' added together give a score of seven. This places the penalty in Band "C," as directed by the Guidance, which indicates a broad penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover.

5.10 Based on the evidence the firm has provided of its annual domestic turnover; this results in a basic penalty of £23,895.

5.11 The SRA considers that the basic penalty should be reduced to £19,116. This reduction reflects the firm's transparency and cooperation with the AML Proactive Supervision team and AML Investigations team, along with admitting and remedying the breaches.

5.12 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 to remove this, and the amount of the fine is £19,116.

6. Publication

6.1 Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules 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.

6.2 The SRA considers it appropriate that this agreement is published as there are no circumstances that outweigh the public interest in publication, and it is in the interest of transparency in the regulatory and disciplinary process.

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 1, 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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