

# **Roger Addington**

## **Recognised sole practitioner**

### **113530**

**[Agreement Date: 21 October 2024](#)**

## **Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 21 October 2024

Published date: 22 October 2024

## **Firm details**

### **Firm or organisation at date of publication**

Name: Hartley Thomas & Wright

Address(es): Town Hall Chambers, South Parade, Rochdale, OL16 1LW

Firm ID: 653896

## **Outcome details**

This outcome was reached by agreement.

### **Decision details**

#### **1. Agreed outcome**

1.1 Mr Roger George Addington, a solicitor of Hartley Thomas & Wright (the firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. he is fined £2,398,
- b. to the publication of this agreement, and
- c. he will pay the costs of the investigation of £600.

#### **2. Summary of Facts**

2.1 We carried out an investigation into the firm, the recognised sole practice of Mr Addington, following an AML desk-based review by our AML Proactive Supervision team.

2.2 Our review 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.

2.3 Between 7 November 2018 and October 2023, Mr Addington caused or materially contributed to the firm's failure to conduct adequate client and matter risk assessments (CMRA), as required by Regulations 28(12) and 28(13) of the MLRs 2017.

2.4 Based on the review that we conducted, we found that clients and matters were not being risk assessed adequately, as we could not find any documented client and matter risk assessments on the files we reviewed.

2.5 On 27 October 2023 the firm provided documents showing that a new client and matter risk assessment process had been implemented. The process is compliant with Regulation 28 of the MLRs 2017.

2.6 A review of specific client files selected during the review also revealed that:

2.6.2 There were no documents which related to customer due diligence (CDD) on two files. Neither file contained any identification documents for the client, and no verification had therefore taken place as required by Regulation 28(2) of the MLRs 2017.

2.6.3 Two of the files we reviewed, both of which were conveyancing matters, showed cash transactions took place to the value of £34,000 and £160,000.

2.6.4 HM Treasury issued its second National Risk Assessment on Money Laundering and Terrorist Financing in December 2020. One of the services most at risk of exploitation by criminals for money laundering purposes is conveyancing.

2.6.5 Further, our Sectoral Risk Assessment dated 28 January 2021 (updated on 5 March 2024) shows conveyancing transactions to be high risk matters for money laundering.

2.6.6 In both files, a 'matter opening form' was completed with the option to select 'Y' or 'N' for money laundering checks. This section had not been completed. The files overall did not contain any information about the source of funds used for the transactions as required (where necessary) by Regulation 28(11)(a) of the MLRs 2017.

### **3. Admissions**

3.1 Mr Addington admits, and we accept, that by causing and materially contributing to his firm failing to comply with the MLRs 2017:



From 7 November 2018 to 25 November 2019 (when the SRA Handbook 2011 was in force), Mr Addington has breached:

- 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 your business effectively and in accordance with proper governance and sound financial risk management principles.

And Mr Addington has failed to achieve:

- c. Outcome 7.2 of the SRA Code of Conduct 2011 – which states that 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 October 2023, Mr Addington has 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 7.1 of the Code of Conduct for Solicitors 2019 – which states 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 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 Mr Addington and the following mitigation:

- Mr Addington acted quickly to rectify the inadequacies and his firm is now compliant with the MLRs 2017.
- Mr Addington cooperated with the SRA's AML Proactive and Investigation teams.
- There has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
- There was no financial benefit from the misconduct.

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



- 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 Mr Addington established adequate AML documentation and controls.
- It was incumbent on Mr Addington to ensure his firm met the requirements set out in the MLRs 2017. He failed to do so. The public would expect solicitors to comply with its legal and regulatory obligations, to protect against these risks as a bare minimum.
- It will maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. Any lesser sanction would not create a credible deterrent to Mr Addington and others.
- 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 financial penalty therefore meets the requirements of rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

## **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 Mr Addington agree that the nature of the misconduct was more serious. Although there was no direct loss to clients, by allowing the firm to not have CMRAs in place, there was a failure to ensure his firm had fully effective AML controls and protective measures since the firm started trading in 2018. The Guidance gives this type of misconduct a score of three.

5.3 The SRA considers that the impact of the misconduct was low because it is accepted his firm had adequate AML policies, controls and procedures in place along with a appropriate firm-wide risk assessment to the size and nature of the business. Having these documents in place does mitigate the potential risk of impact. However, this is not substantial mitigation given the lack of CMRAs on all the files we reviewed. The Guidance gives this level of impact a score of two.

5.4 The nature and impact scores add up to five. The Guidance indicates a broad penalty bracket of between 5% and 11% of Mr Addington's gross annual income is appropriate.

5.5 Based on the evidence Mr Addington has provided of his gross annual income for the most recent tax year, this results in a basic penalty of £2,998.



5.6 In deciding the level of fine within this bracket, the SRA has considered the mitigation at paragraph 4.2 above. We consider that the basic penalty should be reduced by 20% to £2,398.

5.7 Mr Addington does not appear to have made any financial gain or received any other benefit as a result of their conduct. Therefore, no adjustment is necessary to remove this and the amount of the fine is £2,398.

## **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. Mr Addington agrees to the publication of this agreement.

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

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

7.2 If Mr Addington 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 Denying the admissions made or 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 7.3 of the Code of Conduct for Solicitors, RELs and RFLs.

## **8. Costs**

8.1 Mr Addington 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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