

Spencer Skuse & Potter Limited
17 Lambourne Crescent, CARDIFF , CF14 5GF
Recognised body
623746

[Agreement Date: 8 April 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 8 April 2025

Published date: 5 June 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Spencer Skuse & Potter Limited

Address(es): 17 Lambourne Crescent, CARDIFF, CF14 5GF

Firm ID: 623746

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Spencer Skuse & Potter Limited (the firm) a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. Spencer Skuse & Potter Limited will pay a financial penalty in the sum of £11,470 under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules;
- b. to the publication of this agreement, under Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules; and
- c. Spencer Skuse & Potter Limited will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Procedure Rules.

2. Summary of facts

2.1 We carried out an investigation into the firm following an inspection by our AML Proactive Supervision team. The 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. The investigation also identified breaches of the Money Laundering Regulations 2007 (MLRs 2007).

2.2 The firm failed to have in place documented compliant policies, controls and procedures (PCPs) between 26 June 2017 and September 2024, in breach of Regulation 19 of the MLRs 2017. The firm is required to have established and maintained PCPs, to mitigate and manage effectively the risks of money laundering and terrorist financing. Although, the firm was able to provide a document 'SSP AML Policy'(undated)' as part of their 'pre visit questionnaire' on 16 August 2023, the document did not cover or address in sufficient detail many of the mandatory requirements of Regulation 19 of the MLRs 2017 and therefore, the firm were not compliant with Regulation 19.

2.3 Prior to this, the firm between 6 October 2011 (when the SRA Handbook 2011 came into force) and 25 June 2017, also failed to establish and maintain appropriate and risk-sensitive policies and procedures (P&Ps) relating to customer due diligence measures and ongoing monitoring, reporting, record-keeping, internal control, risk assessment and management, the monitoring and management of compliance with, activities related to money laundering and terrorist financing, pursuant to Regulation 20(1) of the MLRs 2007.

2.4 On 6 September 2024, the firm provided us with PCPs that are compliant with the MLRs 2017.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2007 and MLRs 2017: From 6 October 2011 to 24 November 2019 (when the SRA Handbook 2011 was in force), the firm 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 or carry out your role in the business effectively and in accordance with proper governance and sound financial risk management principles.

And the firm has 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 March 2024 the firm 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 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 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 established adequate AML documentation and controls

4.2 It was incumbent on the firm to meet the requirements set out in the MLRs 2007 and 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.

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

- a. 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.
- 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.

4.4 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 fine

5.1 The amount of the financial penalty has been calculated in line with our published guidance on the 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 should have been aware of its obligation to have in place compliant P&Ps/PCPs. In addition, the majority of the firm's work falls within scope of the MLRs 2017 (and previously the MLRs 2007), therefore the firm should have been familiar with the obligations imposed by the regulations and should have implemented strict adherence.

5.3 The firm has failed to meet the requirements of the regulations for a number of years. Although, the firm now has compliant documents and processes in place, which are in proper use, the firm was left vulnerable for a significant amount of time prior to this.

5.4 We and the firm agree that the impact of harm or risk of harm score is assessed as being Low (score of 2). This is because there is no evidence of any harm being caused, as a result of the firm not having compliant P&Ps/PCPs. The firm did have an AML policy in place, which outlined some important procedures, however it was not sufficiently detailed or adequate to comply with the regulations, which is serious when considering the majority of the firm's work is within scope of the regulations.

5.5 The "nature" of the conduct and the "impact of harm or risk of harm" added together give a score of five. This places the penalty in Band "B", as directed by the guidance, which indicates a broad penalty bracket of between 0.4% and 1.2% of the firm's annual domestic turnover.

5.6 We recommend a basic penalty at the middle of the bracket. This is because the firm should have been aware of its statutory obligations under the MLRs 2007 and MLRs 2017 and the breaches spanned a significant amount of time. The majority of its work falls within scope of the MLRs 2007 and 2017. However, the firm has now brought itself into compliance and therefore the ongoing risk is now low.

5.7 Based on the evidence the firm has provided of its annual domestic turnover; this results in a basic penalty of £12,744



5.8 We have also considered mitigating factors and consider that the basic penalty should be discounted by ten percent. This is to take account of the following factors as indicated by the Guidance:

- a. Remedying any harm caused – the firm has put in place compliant PCPs, and remedied the breaches
- b. Cooperating with our investigation – the firm has fully cooperated with our investigation.

5.9 The adjusted penalty is therefore £11,470. 5.10 The firm does not appear to have made any financial gain or received any other benefit as a result of its conduct, that exceeds the level of basic penalty. Therefore, no adjustment is necessary and the financial penalty is £11,470.

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 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 consistent with this agreement.

7.1 Spencer Skuse & Potter Limited agrees that it will not act in any way which is inconsistent with this agreement, such as by denying responsibility for the conduct referred to above. This may result in a further disciplinary sanction.

7.2 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of Principles 1, 2 and 5 of the SRA Principles.

8. Costs

8.1 Spencer Skuse & Potter Limited 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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