

Dewar Hogan
70 Pall Mall, London , SW1Y 5ES
Recognised body
074291

[Fined Date: 12 April 2024](#)

Decision - Fined

Outcome: Fine

Outcome date: 12 April 2024

Published date: 24 May 2024

Firm details

Firm or organisation at date of publication

Name: Dewar Hogan

Address(es): 70 Pall Mall, London, SW1Y 5ES

Firm ID: 74291

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this disciplinary decision relate to?

Dewar Hogan (the firm) is a recognised body whose principal office is at 70 Pall Mall, London, SW1Y 5ES.

Facts of the misconduct

In March 2022 the SRA began an investigation into the firm.

The investigation found that the firm had undertaken three conveyancing transactions, on behalf of the partners of the firm or their family members, between 2011 and 2019, meaning that they fell in scope of the Money Laundering Regulations 2017 and 2007. The firm did not have in place any of the required documentation or training for its staff, it had not appointed a Money Laundering Reporting Officer and it had not sought approval for all beneficial owners, managers, and officers of the firm as required under the regulations.



The investigation also identified three ledgers, in the name of a partner and his family member, where the firm had allowed multiple payments to be made in and out of the firm's client account where there was no underlying legal transaction, or a service forming part of the normal regulated activities of solicitors. That conduct had continued over a prolonged period of time.

It was found that the firm:

Allegation one

Between 30 April 2008 and 18 November 2019, the firm carried out conveyancing and transactional work which fell within the scope of the Money Laundering Regulations 2007 (MLRs 2007) and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017).

Between 30 April 2008 and 25 June 2017, it failed to:

- a. establish and maintain appropriate risk-sensitive anti-money laundering policies and procedures pursuant to Regulation Laundering Regulations 2007 (MLRs 2007); and
- b. take appropriate measures so that all relevant employees of the firm were made aware of the law relating to money laundering and terrorist financing; and regularly given training in how to recognise and deal with transactions and other activities which may be related to money laundering or terrorist financing, pursuant to Regulation 21 of the MLRs 2007.

From 26 June 2017 onwards, it failed to:

- c. have a documented and compliant firm-wide risk assessment, pursuant to Regulation 18(4) of the MLRs 2017;
- d. establish and maintain policies, controls, and procedures (PCP's) to mitigate and manage effectively the risks of money laundering and terrorist financing pursuant to Regulation 19(1)(a) of the MLRs 2017;
- e. Take appropriate measures to ensure that its relevant employees were made aware of the law and regularly given training in how to recognise and deal with transactions and other activities or situations which may be related to money laundering or terrorist financing and to maintain a written record of the measures taken, pursuant Regulation 24(1) of the MLRs 2017; and
- f. Seek SRA approval for all beneficial owners, managers, and officers of the Firm, pursuant to Regulation 26(1) of the MLRs 2017;

And from 15 February 2018:

- g. Failed to appoint a Money Laundering Reporting Officer (MLRO) pursuant to Regulation 21(3) of the MLRs 2017.

To the extent the conduct took place from on or around 30 April 2008 to and including 5 October 2011, the firm has;

- i. breached Rule 5.01(1)(b) of the Solicitors Code of Conduct 2007
- ii. breached Rule 1.06 of the Solicitors Code of Conduct 2007

To the extent the conduct took place on or after 6 October 2011 but before 25 November 2019, the firm has;

- i. breached Principles 6, 7 and 8 of the SRA Principles 2011
- ii. failed to achieve Outcome (7.5) of the SRA Code of Conduct 2011

To the extent the conduct took place on or after 25 November 2019, the firm has;

- i. breached Principle 2 of the SRA Principles
- ii. breached paragraph 3.1 of the SRA Code of Conduct for Firms

Allegation two

Between 11 October 2012 and 8 April 2022, the firm allowed and/or failed to prevent its client account being used to provide a banking facility, for matters other than in respect of an underlying legal transaction or a service forming part of the normal regulated activities of solicitors.

To the extent the conduct took place on or after 6 October 2011 but before 25 November 2019, the firm has;

- i. breached Principles 6 and 8 of the SRA Principles 2011 breached Rule 14.5 of the SRA Accounts Rules 2011

To the extent the conduct took place on or after 25 November 2019, the firm has;

- i. breached Principle 2 of the SRA Principles
- ii. breached Rule 3.3 of the SRA Accounts Rules.

Decision on sanction

Dewar Hogan was directed to pay a financial penalty of £12,777.85 and to pay £1,350 in relation to the SRA's costs of investigating this matter.

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

1. Its conduct was a breach of its regulatory obligations which persisted for longer than was reasonable. It demonstrated a pattern of non-compliance and was reckless.



2. The firm failed to have proper regard to the SRA's guidance and warning notices which explained what was required, the risks that failure to comply with AML requirements posed, and the regulatory consequences of failing to comply.
3. The firm was responsible for its own conduct which was serious and had the potential to cause serious harm to the public interest and to public confidence in the legal profession.
4. Notwithstanding that the transactions were undertaken for the firm's partners or their family members, it was obliged to comply with the requirements of the MLRs 2007 and 2017 and the SRA Accounts Rules but it failed to do so.

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. In light of these factors, the firm's conduct was placed towards the mid-range of this bracket.

The following mitigating factors were considered resulting in a fine of £12,777.85.

1. There was no significant harm caused by the firm's failings,
2. The firm cooperated with the SRA,
3. The firm had remedied the breaches.

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 7 You must comply with your legal and regulatory obligations and deal with your regulators and ombudsmen in an open, timely and co-operative manner.

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 Code of Conduct 2011

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

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.

Solicitors Code of Conduct 2007



Rule 5.01(1)(b) If you are a principal in a firm, a director of a recognised body which is a company, or a member of a recognised body which is an LLP, you must make arrangements for the effective management of the firm as a whole, and in particular provide for: compliance with the money laundering regulations, where applicable.

Rule 1.06 Members of the public must be able to place their trust in you. Any behaviour within or outside your professional practice which undermines this trust damages not only you but the ability of the profession as a whole to serve society.

SRA Code of Conduct for Firms (2019)

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

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