

Acute Conveyancing Ltd
7 Wembley Road, Mossley Hill, Liverpool , L18 2DP
Recognised body
661741

Fined Date: 31 January 2025

Decision - Fined

Outcome: Fine

Outcome date: 31 January 2025

Published date: 4 March 2025

Firm details

Firm or organisation at date of publication

Name: Acute Conveyancing Ltd

Address(es): 7 Wembley Road, Mossley Hill, Liverpool

Firm ID: 661741

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this disciplinary decision relate to?

Acute Conveyancing Ltd (the firm) is a recognised body, with head offices at 7 Wembley Road, Mossley Hill, Liverpool L18 2DP.

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 carries out conveyancing work and is therefore an 'in scope' firm for the purposes of the MLRs 2017.

In 2023, the SRA's anti-money laundering (AML) proactive supervision team carried out an AML inspection of the firm to assess its compliance with the MLRs 2017. In November 2023, an SRA AML regulatory manager notified the firm that she had concerns about the firm's compliance with requirements for a documented firm wide risk assessment (FWRA), its policies, controls and procedures (PCPs), client and matter risk assessments (CMRAs), AML training records and due diligence processes. None of the six live files reviewed during the inspection had CMRAs.

These concerns led to a referral to the SRA's AML investigation team.

During a review of further files as part of the SRA's investigation, significant concerns were raised regarding the firm's due diligence processes, including establishing source of funds and undertaking enhanced due diligence, in a specified conveyancing transaction.

It was found that the firm:

1. Between 16 September 2019 and 30 November 2023, 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 Regulation 18(1) and 18(4) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017).
2. Between 16 September 2019 and 5 December 2023, 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 (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. Between 16 September 2019 and 5 December 2023, failed to maintain a record of the money laundering and terrorist financing training provided to relevant employees, as required under Regulation 24(1)(b) of the MLRs 2017.
 - In doing so, to the extent that the conduct took place between 16 September 2019 and 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.
 - To the extent that the conduct took place after 25 November 2019, the firm breached Principle 2 of the SRA Principles 2019 and Paragraphs 2.1(a), 2.2 and 3.1 of the SRA Code of Conduct for Firms 2019.
 - In respect of 3 above, the firm was also found to have breached paragraph 2.2 of the SRA Code of Conduct for Firms 2019.



4. Failed to have in place an adequate process to assess the level of risk, as required by Regulation 28(12)(a)(ii) and Regulation 28(13) 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.
5. In a specified matter:
 - a. failed to scrutinise the source of funds as required by Regulation 28(11)(a) of the MLRs 2017.
 - b. failed to conduct ongoing monitoring of a business relationship including undertaking reviews of existing records and keeping the documents or information obtained for the purpose of applying customer due diligence measures up to date as required by Regulation 28(11)(b) of the MLRs 2017.
 - c. failed to apply enhanced customer due diligence (EDD) measures in any other case which by its nature can present a higher risk of money laundering or terrorist financing as required by Regulation 33(1)(g) of the MLRs 2017.
 - d. failed to verify information provided and take additional steps to satisfy itself as to the veracity of the information provided as required by Regulation 33(5) of the MLRs 2017.
And in doing so, 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

The firm was directed to pay a financial penalty of £3,425 and costs of £1,350.

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

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.
- 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.
- 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 C4 (2.8% of annual domestic turnover).

The following mitigating factors were considered:

- The firm had co-operated with the SRA's investigation and made some admissions in relation to its misconduct.
- There was no evidence that harm had actually materialised as a result of the misconduct.
- The firm had taken steps to bring itself into compliance with the rules.

The financial penalty was reduced by 10% 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

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 2.2 You keep and maintain records to demonstrate compliance with your obligations under the SRA's regulatory arrangements.

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

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