

## **Stapletons Solicitors Limited (Stapletons Solicitors)**

**263 Green Lanes, Palmers Green, London , N13 4XE**

**Recognised body**

**613338**

**[Agreement Date: 2 July 2025](#)**

### **Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 2 July 2025

Published date: 3 July 2025

### **Firm details**

#### **Firm or organisation at date of publication and at time of matters giving rise to outcome**

Name: Stapletons Solicitors Limited

Address(es): 263 Green Lanes, Palmers Green, London, N13 4XE

Firm ID: 613338

### **Outcome details**

This outcome was reached by agreement.

#### **Decision details**

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

1.1 Stapletons Solicitors Limited (the Firm), a recognised body authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. it is fined £9,767.
- b. to the publication of this agreement.
- c. it will pay the costs of the investigation of £600.

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

2.1 We carried out an investigation into the firm following a desk-based review by our AML Proactive Supervision team.



2.2 Our investigation identified areas of concern in relation to the firm's compliance with The Money Laundering, Terrorist Financing and Transfer of Funds (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.

### **Policies, Controls and Procedures (PCPs)**

2.3 Between 26 June 2017 and 2024, the firm failed to maintain a record in writing of its policies, controls and procedures (PCPs), any changes to those PCPs, or the steps taken to communicate those PCPs within the business as required by Regulation 19(1)(c) of the MLRs 2017.

2.4 The firm confirmed that its PCPs were in paper form only and not retained electronically. It is understood that the document was reviewed in or around 2017, following the implementation of the MLRs 2017 and again retained in a paper format only. Unfortunately, despite an extensive search, the firm was not able to produce its previous versions.

2.5 The PCPs that were provided for the desk-based review were from 2024. The review found that they were missing several mandatory areas, including the firm's approach to risk assessing clients and matters. We requested that the firm produce revised and compliant PCPs, which it did on 27 January 2025.

### **Client and Matter Risk Assessments (CMRAs)**

2.6 The firm failed to sufficiently assess the level of risk, as required by Regulation 28(12) and Regulation 28(13) of the MLRs 2017.

2.7 Six files were reviewed for the desk-based review. Five of which did not contain a CMRA. We asked the firm to review all of its files to understand how many did not contain a CMRA. This review discovered that 49% of its conveyancing matters did not contain a CMRA:

- Out of 272 residential conveyancing matters, 120 did not contain a CMRA.
- Out of 31 commercial conveyancing matters, 29 did not contain a CMRA.

2.8 It is therefore unclear how the firm had been risk assessing clients and matters. The Legal Sector Affinity Group (LSAG) guidance suggests risk assessment documentation should be kept up to date and be clear, in providing an audit trail of the decision-making process and rationale throughout the matter. This enables firms to demonstrate adequate consideration of risks to us (as the firm's AML supervisor), law enforcement or the courts.

2.9 The firm has made assurances that all live in-scope files will contain a CMRA going forwards, and it has adopted an adequate template to



capture the appropriate AML risks.

### **Source of Funds**

2.10 On one file the firm failed to scrutinise the source of funds as required by Regulation 28(11)(a) of the MLRs 2017.

2.11 This matter involved the purchase of a property for £770,000. The funds used for the transaction came from a company owned by the clients. Although there were documents on file to evidence that the clients were the owners of the company, there were no documents to show how the company had accumulated these funds.

2.12 The company was incorporated on 17 June 2024, around two months before the matter completed.

### **3. Admissions**

3.1 The firm makes the following admissions, which we accept, that by failing to comply with the MLRs 2017 it has failed to:

From 26 June 2017 to 25 November 2019 (when the SRA Handbook 2011 was in force):

- a. achieve Outcome 7.2 of the SRA Code of Conduct 2011, which requires that they 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.
- b. achieve Outcome 7.5 of the SRA Code of Conduct 2011 which requires that they comply with legislation applicable to your business, including anti-money laundering and data protection legislation.
- c. behave in a way that maintains the trust the public places in them and in the provision of legal services, in breach of Principle 6 of the SRA Principles 2011.
- d. run their business effectively and in accordance with proper governance and sound financial and risk management principles, in breach of Principle 8 of the SRA Principles 2011.

And from 25 November 2019 (when the SRA Standards and Regulations were in force):

- e. comply with all of the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, in breach of Paragraph 2.1(a) of the SRA Code of Conduct for Firms.
- f. keep up to date with and follow the law and regulation governing the way it works, in breach of Paragraph 3.1 of the SRA Code of Conduct for Firms.
- g. act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised



persons, in breach of Principle 2 of the SRA Principles.

#### **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 the firm and the following mitigation:

- a. The firm acted quickly by instructing external assistance, to rectify the inadequacies, and is now fully compliant with the MLRs 2017.
- b. The firm has cooperated with the SRA's AML Proactive and Investigations teams.
- c. There has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
- d. The firm did not financially benefit from the misconduct

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

- a. 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.
- b. 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.
- c. The 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.

4.4 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 the fine**

5.1 he 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 that the nature of the misconduct was more serious. This is because the firm's failure to ensure it had proper documentation in place for over seven years shows a persistent disregard of the firm's regulatory obligations. This is more serious given that the lack of AML procedures at the firm resulted in an impact at file level, with most of the files we reviewed being deficient in AML control standards. There is no evidence that the firm had procedures to explain its approach to risk assessing clients and matters until January 2025. The Guidance gives this type of misconduct a score of three.

5.3 The SRA considers that the impact of the misconduct was medium because the firm's conduct left it vulnerable to the risks of money laundering, particularly when acting in conveyancing transactions (which currently and historically account for more than half of the firm's turnover). The nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. The firm left itself without effective arrangements in place to manage compliance with the MLRs 2017 for a period of over six years. This resulted in a lack of scrutiny around source of funds on one of the files we reviewed. The Guidance gives this level of impact a score of four.

5.4 The nature and impact scores add up to seven. The Guidance indicates a broad penalty bracket of between 6% and 3.2% of the firm's annual domestic turnover is appropriate.

5.5 The SRA considers a basic penalty in the middle of the bracket to be appropriate which determines a basic penalty of £13,953.

5.6 The SRA considers the basic penalty should be reduced to £9,767. This reduction reflects the mitigation at paragraph 4.2 above.

5.7 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 £9,767.

## **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. The firm agrees to the publication of this agreement.

## **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 2 and 5 of the Principles and paragraph 3.2 of the Code of Conduct for Firms.

## **8. Costs**

8. 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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