

# **Alison Evans**

## **Solicitor**

### **296742**

**Fined Date: 22 November 2023**

## **Decision - Fined**

Outcome: Fine

Outcome date: 22 November 2023

Published date: 30 November 2023

## **Firm details**

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

Name: Alisons Legal Practice

Address(es): Loveden House, 26 Bridge Street, Aberystwyth, SY23 1QB

Firm ID: 510719

## **Outcome details**

This outcome was reached by SRA decision.

### **Decision details**

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

1.1 Ms Alison Meyler Evans, a solicitor, recognised sole practitioner and former owner of Alisons Legal Practice (the firm), which has now closed, agrees to the following outcome to the investigation of her conduct by the Solicitors Regulation Authority (SRA):

- a. she is fined £9,074.80
- b. to the publication of this agreement
- c. she will pay the costs of the investigation of £600.00.

### **Reasons/basis**

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

2.1 Company A offered property investment opportunities to professional investors with Company A setting up special purpose vehicle (SPV) companies in the name of various development sites to purchase land as



bare trustees for the benefit of investors. The investors were beneficial owners of the land to protect them from any claims on the sites, but all the relevant developments failed

2.2 The firm acted on behalf of Company A in the conveyancing for the property developments and the transfer of funds for the purchase of land. The firm considered its underlying legal transactions to be 'the purchase of the land and the subsequent preparation of the bare trust documents'.

2.3 Around 2016, client MH saw an advertisement for Company A, which stated that it wanted to build houses on sites for resale and it was looking for investment and MH invested £200,000.00, which equated to £50,000 in four different sites.

2.4 On 16 April 2016, MH received an introduction letter from Company A. This stated that any money MH chose to invest, would go to the firm. The letter stated that the firm would write to MH separately with its client care letter and terms of business. Company A explained that once the money had been deposited to the firm, it would show MH a few properties and could determine how much they wanted to invest in each of them.

2.5 In relation to Site A, between April 2016 and September 2016, MH paid £50,000 into the firm's client account as an investment for the development of Site A. The firm stated that Company A was the client 'so far as the conveyancing is concerned' and MH's instructions were '... limited to receiving your investment and applying it for the purchase of Land...'. On 24 October 2016, a bare trust was created by Ms Evans to reflect MH's equitable interest in the land.

2.6 In relation to Site B, between January 2017 and February 2017, MH paid £50,000 into the firm's client account as an investment for the development of Site B. The firm stated that Company A was the client 'so far as the conveyancing is concerned' and MH's instructions were '... limited to receiving your investment and applying it for the purchase of Land...'. On 3 February 2018, a bare trust was created by Ms Evans to reflect MH's equitable interest in the land.

2.7 In relation to Site C, in April 2017, MH paid £50,000 into the firm's client account as an investment for the development of Site C. The firm stated that Company A was the client 'so far as the conveyancing is concerned' and MH's instructions were '...limited to receiving your investment and applying it for the purchase of Land...'. On 20 January 2017, a bare trust was created by Ms Evans to reflect MH's equitable interest in the land.

2.8 In relation to Site D, in May 2018, MH paid £50,000 into the firm's client account as an investment for the development of Site D. The firm wrote to her on 16 May 2018 stating that, 'Once funds are received from



you, they will be applied to the purchase of the site and the balance will be transferred to [Company A] to apply to the development costs'. On 29 May 2018, a bare trust was created by Ms Evans to reflect MH's equitable interest in the land.

2.9 Meanwhile in October 2018, despite not sending an 'Offering Memorandum' in relation to Sites A, B and C, Company A sent MH an 'Offering Memorandum' in relation to Site D. This stated that her investment would be held in an escrow account, defined as the firm's client account, until it has declared that 'the offer is fully subscribed', at which point the funds would be released to Company A for use in the development. MH did not sign or return the 'Offering Memorandum' and Company A did not confirm that the offer was fully subscribed.

2.10 In the client engagement letters sent to MH for the development of Sites A to D, Ms Evans stated that she did not provide investment advice, MH must seek independent legal advice regarding any investment and MH should satisfy themselves as to any risks involved in investing and must carry out her own due diligence prior to paying any funds into the firm's client account.

2.11 The development of Sites A to D failed. MH's investment of £50,000 in relation to Site C was returned, so MH lost a total of £150,000. MH made an application to the SRA Compensation Fund, which was refused at first instance and on appeal. MH was unsuccessful in a claim against the firm's professional indemnity insurance.

### **3. Admissions**

3.1 Ms Evans makes the following admissions which the SRA accepts:

- a. by acting for MH, an investor, and Company A, the company in which MH was investing in, Ms Evans acted where there was a client conflict, or a significant risk of a client conflict and therefore breached:
  - Principle 4 of the SRA Principles 2011 – act in the best interests of each client
  - Principle 6 of the SRA Principles 2011 – behave in a way that maintains the trust the public places in you and in the provision of legal services
  - Failed to achieve outcome 3.5 of the SRA Code of Conduct 2011 – you do not act if there is a client conflict, or a significant risk of a client conflict
- b. by failing to give adequate advice to MH on the risks of investing into sites that were yet to be developed and by failing to give MH any advice prior to MH signing the bare trusts, Ms Evans breached:
  - Principle 4 of the SRA Principles 2011 – act in the best interests of each client



- Principle 5 of the SRA Principles 2011 – Provide a proper standard of service to your clients
- Principle 6 of the SRA Principles 2011 – behave in a way that maintains the trust the public places in you and in the provision of legal services
- Failed to achieve outcome 1.5 of the SRA Code of Conduct 2011 – the service you provide to clients is competent, delivered in a timely manner and takes account of your clients' needs and circumstances

#### **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 Ms Evans and the following mitigation which she has put forward:

- a. Ms Evans is no longer working in the legal sector, and she has not renewed her practising certificate since the firm closed in March 2020
- b. Ms Evans has a clear regulatory history and therefore there is not a pattern of behaviour
- c. There was no intent or motivation behind Ms Evans' actions.

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

- a. The SRA's Warning notice on 'Investment schemes (including conveyancing)', issued on 23 June 2017, states that acting for both buyer and seller (or investment company) is likely to constitute a conflict of interest.
- b. Ms Evans had a duty to advise MH of the obvious inherent risks that had come or ought to have come to her attention despite it being outside the scope of the limited retainer
- c. MH was advised to obtain independent legal advice but declined to do so. Nevertheless, Ms Evans' conduct had an adverse impact on her client.

4.4 A fine is appropriate to uphold public confidence in the solicitors' profession and in legal services provided by authorised persons because MH lost money following her investments into the four sites, which MH may have reconsidered had she received proper and adequate advice. Issuing a fine to solicitors who give inadequate advice demonstrates to the public that the SRA takes such matters seriously and expects solicitors to maintain appropriate standards. 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 Ms Evans agree that the nature of the misconduct was high because the nature of the conduct was as a result of recklessness. The Guidance gives this type of misconduct a score of three.

5.3 The SRA considered the impact of the misconduct, and 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 £2,963.20 to £9,074.80.

5.5 In deciding the level of fine within this bracket, the SRA has considered mitigation that there was no intent or motivation involved in Ms Evans' conduct and Ms Evans has a clear regulatory history and there is no evidence that this is a pattern of behaviour. However, the SRA has also considered that Ms Evans' conduct had caused harm.

5.6 On this basis, the SRA considers a basic penalty of £9,074.80, which is at the highest end of the bracket, to be appropriate.

5.7 Ms Evans does not appear to have made any financial gain or received any other benefit as a result of her conduct. Therefore, no adjustment is necessary to remove this, and the amount of the fine is £9,074.80.

## **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. Ms Evans agrees to the publication of this agreement.

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

7.1 Ms Evans agrees that she will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7.2 If Ms Evans 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 SRA Principles and paragraph 7.3 of the Code of Conduct for Solicitors, RELs and RFLs.

## **8. Costs**

8.1 Ms Evans agrees to pay the costs of the SRA's investigation in the sum of £600.00. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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