

Richard Lionel Jones

Solicitor

133513

Fined Date: 2 October 2023

Decision - Fined

Outcome: Fine

Outcome date: 2 October 2023

Published date: 18 January 2024

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Brinley Morris Rees & Jones

Address(es): 3 John Street, Llanelli, SA15 1UN

Firm ID: 67402

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does the decision relate to?

Richard Lionel Jones is a solicitor. He was an owner and manager of Brinley Morris Rees & Jones, a recognised body, whose office was at 3 John Street, Llanelli, SA15 1UN. He is now employed at Alexander & Partners whose head office is at 28 Craven Park Road, London NW10 4AB.

Summary of decision

We fined Mr Jones £14,099.76 for failing to ensure Brinley Morris Rees & Jones (the firm):

- had relevant documentation,
- followed appropriate procedures and
- conducted adequate source of funds checks when undertaking conveyancing transactions for clients



to prevent activities related to money laundering and terrorist financing as required by:

- 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).

Also, for providing the SRA with inaccurate information in response to its request about the AML documentation in place at the firm.

The facts

Mr Jones was at all material times a manager, the compliance officer for legal practice (COLP), compliance officer for finance and administration (COFA), money laundering compliance officer (MLCO) and money laundering reporting officer (MLRO) at the firm.

On 22 January 2020, Mr Jones, in his capacity as COLP, and in response to a request from the SRA, completed a declaration on behalf of the firm. He said the firm had a fully compliant FWRA in place which took account of information published by the SRA. Also, that it included references to the firm's customers, the countries or geographic areas in which it operated, its products and services, its transactions and delivery channels.

On 18 June 2020, following concerns relating to the firm's compliance with anti-money laundering regulations, the SRA started a forensic investigation at the firm.

A review of client files established that the firm had not verified the source of funds received from clients in conveyancing matters.

The firm did not have a firm wide risk assessment in place as required by the MLRs 2017. The firm's office manual, which contained all the information at the firm relating to anti-money laundering risk assessments, only referred to the 2003 money laundering regulations.

The firm did not have any separate money laundering policies in place and had not updated its risk assessment policy contained in the firm's office manual since approximately 2003. It was found that Mr Jones, as manager, COLP, and MLCO of the firm:

1. failed to ensure that the firm had in place a compliant firm-wide risk assessment (FWRA) between 26 June 2017 and June 2020 as required by Regulations 18 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs 2017), and
In doing so, to the extent the conduct took place from 26 June 2017 to 25 November 2019, he:



- i. breached Principles 6, 7 and 8 of the SRA Principles 2011 (2011 Principles), and
 - ii. failed to achieve Outcome 7.5 of the SRA Code of Conduct 2011 (2011 Code of Conduct).
In doing so, to the extent the conduct took place on or after 25 November 2019, he breached:
 - iii. Principle 2 of the SRA Principles 2019 (2019 Principles), and
 - iv. Paragraph 7.1 of the SRA Code of Conduct for Solicitors, RELs and RFLs (Code of Conduct for Solicitors)
2. failed to have in place at the firm:
 - a. from 15 December 2007 to 26 June 2017, appropriate and risk-sensitive policies and procedures to prevent activities related to money laundering and terrorist financing as required by Regulation 20 of the MLRs 2007; and
 - b. from 26 June 2017 onwards, compliant AML Policies, Controls and Procedures (PCPs) as required by Regulation 19 of the MLRs 2017.
In doing so, to the extent the conduct took place from 15 December 2007 up to 6 October 2011, he:
 - i. breached Rule 1.06 of the Solicitors' Code of Conduct 2007
In doing so, to the extent the conduct took place from 6 October 2011 to 25 November 2019 he:
 - ii. breached Principles 6, 7 and 8 of the 2011 Principles, and
 - iii. failed to achieve Outcome 7.5 of the 2011 Code of Conduct.
In doing so, to the extent the conduct took place on or after 25 November 2019, he breached:
 - iv. Principle 2 of the 2019 Principles, and
 - v. Paragraph 7.1 of the Code of Conduct for Solicitors.
3. failed:
 - a. from 15 December 2007 to 26 June 2017 to take appropriate measures so that all relevant employees 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 and terrorist financing as required by Regulation 21 of the MLRs 2007; and
 - b. from 26 June 2017 onwards, to take appropriate measures to ensure that relevant employees 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, which may be related to money laundering or terrorist financing and/or failing to maintain a written record of training undertaken on anti-money laundering and counter terrorist financing as required by Regulation 24 of the MLRs 2017.
In doing so, to the extent the conduct took place from 15 December 2007 up to 6 October 2011, he:



- i. breached Rule 1.06 of the Solicitors' Code of Conduct 2007
In doing so, to the extent the conduct took place from 6 October 2011 to 25 November 2019 he:
 - ii. breached Principles 6, 7 and 8 of the 2011 Principles, and
 - iii. failed to achieve Outcomes 7.5 and 7.6 of the 2011 Code of Conduct.
In doing so, to the extent the conduct took place on or after 25 November 2019, he breached:
 - iv. Principle 2 of the 2019 Principles, and
 - v. Paragraph 7.1 of the Code of Conduct for Solicitors.
- 4. failed:
 - a. to conduct any or any adequate source of funds checks on any of the client files reviewed by the SRA's Forensic Investigation Officer and failed to conduct ongoing monitoring of the transactions as they progressed to enable him to assess the risk of money laundering posed, as required by Regulations 27 and 28(11) of the MLRs 2017.
In doing so he:
 - b. breached Principles 6, 7 and 8 of the 2011 Principles, and
 - c. failed to achieve Outcome 7.5 of the 2011 Code of Conduct.
- 5. provided the SRA with inaccurate information, by:
 - a. making a declaration to the SRA on 22 January 2020 that the firm had in place a FWRA as required by Regulation 18 of the MLRs 2017 when this was not true.
In doing so, he has acted in breach of:
 - i. Principle 2 of the 2019 Principles and
 - ii. Paragraph 7.4 of the SRA Code of Conduct for Solicitors.

Decision on sanction

Mr Jones was directed to pay a penalty of £14,099.76 and ordered to pay costs of £1,350.

This was because his conduct was serious by reference to the following factors in the SRA Enforcement Strategy.

- i. His conduct was a breach of his regulatory obligations which persisted for longer than was reasonable. It demonstrated a pattern of non-compliance.
- ii. He was responsible for his own conduct which was serious and had the potential to cause harm to the public interest and to public confidence in the legal profession.

In view of the above, Mr Jones conduct was placed in conduct band C, which has a penalty bracket of 16% to 49% of annual gross income. His conduct was placed at the bottom end of this bracket because:



- i. It was found that he should and could have known what was required to ensure the firm was compliant with anti-money laundering legislation.
- ii. Although his conduct exposed the firm to the risk of money laundering and terrorist financing there is no evidence that this occurred.
- iii. He is now employed in another firm and does not hold any compliance roles.
- iv. He complied with his regulatory obligation to cooperate with the SRA's investigation.

SRA Code of Conduct 2007

Rule 1.06 Public Confidence

You must not behave in a way that is likely to diminish the trust the public places in you or the profession.

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 7.2

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 7.3

You identify, monitor and manage risks to compliance with all the Principles, rules and outcomes and other requirements of the Handbook, if applicable to you, and take steps to address issues identified.

Outcome 7.5

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

Outcome 7.6

You train individuals working in the firm to maintain a level of competence appropriate to their work and level of responsibility.

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.

Code of Conduct for Solicitors, RELs and RFLs (2019)

Paragraph 7.1

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

Paragraph 7.3

You cooperate with the SRA, other regulators, ombudsmen, and those bodies with a role overseeing and supervising the delivery of, or investigating concerns in relation to, legal services.

Paragraph 7.4

You respond promptly to the SRA and: (a) provide full and accurate explanations, information and documents in response to any request or requirement; and (b) ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the SRA.

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