

Timothy Gray

Solicitor

114250

[Agreement Date: 31 January 2025](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 31 January 2025

Published date: 5 February 2025

Firm details

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

Name: Mincoffs Solicitors LLP

Address(es): 5 Osborne Terrace, Newcastle Upon Tyne, NE2 1SQ

Firm ID: 518560

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Mr Timothy Rohan Gray, a solicitor of Mincoffs Solicitors LLP, agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. he is fined £15,075,
- b. to the publication of this agreement, and
- c. he will pay the costs of the investigation of £600.

2. Summary of Facts

2.1 Mincoffs Solicitors LLP (the firm) made a report to the SRA in March 2024, raising its concern that the firm may have been involved in a vendor fraud.



2.2 As a result of the firm's report, the SRA conducted a Forensic Investigation at the firm. The investigation identified multiple instances whereby Mr Gray had caused and materially contributed to the firm failing in its obligations under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (MLRs 2017).

Client and matter risk assessments (CMRA)

2.3 During the forensic investigation, the Forensic Investigation Officer (FIO) reviewed nine of Mr Gray's matters that were in-scope of the MLRs 2017. The FIO found that in all of these files Mr Gray had failed to conduct a CMRA, as required by Regulation 28(12)(a)(ii) and Regulation 28(13) of the MLRs 2017.

Enhanced customer due diligence (EDD)

2.4 During the investigation, the FIO determined that between January 2023 and March 2024, in the matters relating to the sales of two properties by client A, Mr Gray failed to carry out EDD as required by Regulation 33 of the MLRs 2017.

Adherence to the firm's policies, controls and procedures (PCPs)

2.5 Mr Gray failed to familiarise himself with his obligations under the MLRs 2017 and failed to properly adhere to the PCPs established by the firm, to ensure his compliance with the MLRs 2017.

Ongoing monitoring of the client relationship

2.6 Mr Gray failed to carry out customer due diligence on the third-party account details provided by client A, pursuant to his ongoing obligations to monitor the client relationship under Regulation 28(11) of the MLRs 2017.

2.7 Payments were made to a Chinese bank account, that did not belong to or have any connection with the true owner of the properties. Because the name on the bank account was not that of the client of the firm, we are also of the view, and Mr Gray accepts that, the payments did not relate to any services provided by the firm to the owner of the account. This resulted in a technical breach of the long-established client account banking facility rule

3. Admissions

3.1 Mr Gray makes the following admissions, which the SRA accepts, that by failing to adhere to the SRA Accounts Rules 2019 and causing and

materially contributing to the firm failing in its obligations with the MLRs 2017, he has breached:

- a. Paragraph 7.1 of the SRA Code of Conduct for Solicitors 2019 – which states you keep up to date with and follow the law and regulation governing the way you work.
- b. Principle 2 of the SRA Principles 2019 – which states you must act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.
- c. Rule 3.3 of the SRA Accounts Rules 2019 – which states that you must not use a client account to provide banking facilities to clients or third parties. Payments into, and transfers or withdrawals from a client account must be made in respect of the delivery by you of regulated services.

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 Mr Gray and the following mitigation:

- a. Mr Gray has assisted and cooperated with the SRA's investigation.
- b. Mr Gray has shown remorse.

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

- a. It will maintain professional standards, uphold public confidence and deter repetition.
- b. There were serious breaches of the SRA's rules and Mr Gray should have complied with the same.
- c. The conduct showed a disregard for statutory and regulatory obligations and has caused harm, by possibly facilitating dubious transactions. Further, this conduct could have facilitated transactions that could have led to money laundering and/or terrorist financing.

4.4 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](https://www.sra.org.uk/solicitors/guidance/financial-penalties/) (<https://www.sra.org.uk/solicitors/guidance/financial-penalties/>)).



5.2 Having regard to the Guidance, the SRA and Mr Gray agree that the nature of the misconduct was more serious because his role in the MLRs 2017 and Accounts Rules failings were evident across a number of Mr Gray's matters and therefore formed part of a pattern of misconduct. The Guidance gives this type of misconduct a score of three.

5.3 The SRA considers that the impact of the misconduct is medium because Mr Gray's failure to adhere to the PCPs, the firm had in place, meant that he risked the firm falling vulnerable to the risks of money laundering and terrorist financing, particularly in conveyancing transactions. The impacts of Mr Gray's failings alone are considered medium, as they had the potential to cause moderate loss to the firm's clients.

5.4 The Guidance gives this level of impact a score of four.

5.5 The nature and impact scores add up to seven. The Guidance indicates a broad penalty bracket of between 16% and 40% of Mr Gray's gross annual income is appropriate.

5.6 In deciding the level of fine within this bracket, the SRA has considered the mitigation at paragraph 4.2 above.

5.7 The SRA has considered Mr Gray's acceptance of his failings demonstrated by his conduct and have balanced this against Mr Gray's level of experience, indicating that he should have had better knowledge and awareness of his regulatory obligations, and the fact that this matter appears to form a pattern of behaviour. The SRA consider a penalty in the middle of the bracket to be appropriate.

5.8 Based on the evidence Mr Gray has provided of his gross annual income for the most recent tax year, this results in a basic penalty of £16,750.

5.9 The SRA considers that the basic penalty should be reduced to £15,075. This reduction reflects Mr Gray's cooperation with the SRA's investigations and remorse shown.

5.10 Mr Gray does not appear to have made any financial gain or received any other benefit as a result of his conduct. Therefore, no adjustment is necessary to the financial penalty of £15,075.

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. Mr Gray agrees to the publication of this agreement.

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

7.1 Mr Gray agrees that he will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

7.2 If Mr Gray 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 Principles and paragraph 7.3 of the Code of Conduct for Solicitors, RELs and RFLs.

8. Costs

8.1 Mr Gray 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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