

# **Michael Ward**

## **Solicitor**

### **39618**

**Fined Date: 4 July 2023**

## **Decision - Fined**

Outcome: Fine

Outcome date: 4 July 2023

Published date: 8 August 2023

## **Firm details**

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

Name: Burd Ward Solicitors Ltd

Address(es): 23-27 Seaview Road, Wallasey CH45 4QT

Firm ID: 485366

## **Outcome details**

This outcome was reached by SRA decision.

### **Decision details**

#### **Who does this disciplinary decision relate to?**

Michael Ward is a solicitor. He is also a manager and director of Burd Ward Solicitors Ltd of 23-27 Seaview Road, Wallasey, CH45 4QT, a recognised body.

He is also appointed as the firm's Compliance Office for Finance and Administration (COFA), Compliance Officer for Legal Practice (COLP) and Money Laundering Compliance Officer.

### **Short summary of decision**

The SRA imposed a financial penalty on Michael Ward because he was aware of and approved an arrangement which allowed the client account of Burd Ward Solicitors Ltd to be used as a banking facility.

### **Facts of the misconduct**



Another solicitor at Burd Ward Solicitors Ltd acted on behalf of a client in relation to a dispute over an entitlement to commercial property. The parties to the dispute had operated a business account to collect income and pay outgoings relating to the commercial property. The joint account was frozen due to contested withdrawals. The solicitor in the firm arranged for the parties to use the client account of Burd Ward Solicitors Ltd to collect rental income and pay related outgoings instead between February 2021 and January 2023.

Michael Ward was aware of and approved this arrangement despite his responsibilities as director and COFA of the firm to ensure that the firm's conduct adhered to the SRA regulatory regime.

In doing so, he breached:

- i. rule 3.3 of the SRA Accounts Rules 2019
- ii. paragraph 9.2 of the SRA Code of Conduct for Firms
- iii. Principle 2 of the SRA Principles 2019

#### **Decision on sanction**

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

Michael Ward's conduct was found to fall within conduct Band C which has a penalty bracket of £5,000 - £25,000.

Michael Ward was fined £9,000 and £675 costs.

This was because Michael Ward's conduct was serious by reference to the following factors in the SRA Enforcement Strategy:

The misconduct involved the approval of the client account as a banking facility which is inherently objectionable, regardless of impact or harm. This type of misconduct carries associated risks, including the potential for money laundering, avoiding obligations in an insolvency situation, and improperly hiding assets.

Michael Ward had direct responsibility for his conduct in approving and authorising the arrangement (although there is no evidence he acted with a view to financial gain). He was an experienced solicitor and COFA for the firm with heightened regulatory obligations. The arrangement continued for a considerable period of time, including for several months after the SRA communicated that it believed it constituted a breach. Michael Ward showed a lack of insight into the inherent risks of operating the client bank account in this way during the investigation.

The following factors were considered in mitigation; Michael Ward's unblemished regulatory history, his co-operation with the investigation,

the absence of any evidence of a pattern of misconduct and the expression of an apology for the time that the SRA had been put to.

### **SRA Accounts Rules 2019**

Rule 3.3: 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 in respect of the delivery by you of regulated services.

### **SRA Code of Conduct for Firms 2019**

Paragraph 9.2 If you are a COFA you must take all reasonable steps to:

- a. ensure that your firm and its managers and employees comply with any obligations imposed upon them under the SRA Accounts Rules;
- b. ensure that a prompt report is made to the SRA of any facts or matters that you reasonably believe are capable of amounting to a serious breach of the SRA Accounts Rules which apply to them;
- c. notwithstanding sub-paragraph (b), you ensure that the SRA is informed promptly of any facts or matters that you reasonably believe should be brought to its attention in order that it may investigate whether a serious breach of its regulatory arrangements has occurred or otherwise exercise its regulatory powers.

### **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.

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