

Andrew Thomas
Non-lawyer manager
644786

Fined Date: 11 November 2024

Decision - Fined

Outcome: Fine

Outcome date: 11 November 2024

Published date: 13 December 2024

Firm details

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

Name: Walker Thomas LLP

Address(es): Ludgate House, 107-111 Fleet Street, London, EC4A 2AB

Firm ID: 644781

Outcome details

This outcome was reached by SRA decision.

Reasons/basis

Who does this disciplinary decision relate to?

Andrew Thomas, managing partner of Walker Thomas LLP, a recognised body located at Ludgate House, 107-111 Fleet Street, London, EC4A 2AB (the firm).

Summary of decision

We have fined Mr Thomas for failing to prevent 668 duplicate client to office account transfers, in addition to other breaches of the rules. This put client money at risk.

Facts of the misconduct

It was found that:



1. Between 9 February 2022 and 30 June 2022 Mr Thomas failed to prevent 668 duplicate transfers of fees from the client account into the office account. This led to a shortage on the client account of £57,314.90 against the ledger for one of the firm's clients. In doing so, Mr Thomas breached rules 4.1, 4.3, 5.1, 5.2 and 5.3 of the SRA Accounts Rules 2019, Principles 2 and 7 of the SRA Principles 2019, and Paragraph 5.2 of the SRA Code of Conduct for Firms 2019.
2. Between December 2021 and June 2022 Mr Thomas failed to ensure that the firm carried out three-way client account reconciliations. In doing so, Mr Thomas breached rule 8.3 of the SRA Accounts Rules 2019 and paragraph 2.2 of the SRA Code of Conduct for Firms 2019.
3. Between 4 June 2019 and 4 April 2023, Mr Thomas oversaw the operation of a suspense account with a total credit balance of £155,535.12 and no suspense account reconciliations. In doing so, he breached rules 29.25 and 1.2(e) of the SRA Accounts Rules 2011 (pre 25 November 2019) and rule 8.1 of the SRA Accounts Rules 2019 (post 25 November 2019).
4. Mr Thomas failed to ensure that the qualified accountants report for the period of 1 July 2021 to 30 June 2022 was filed in time. In doing so, he breached rules 12.1(a) and (b) of the SRA Accounts Rules 2019.

Decision on sanction

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

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

- Any lesser sanction would not provide a credible deterrent to Mr Thomas and others. A credible deterrent plays a key role in maintaining professional standards and upholding public confidence.
- His actions put public trust and confidence in the profession at risk.
- The misconduct related to client money. The client account is sacrosanct, and any failure to protect client money is serious.

In view of the above, Mr Thomas's conduct was placed in conduct band C which has a financial penalty bracket of between 16% and 49% of his gross annual income. His conduct was placed in the middle of this bracket at C3 given:

- a. Aggravating factors
 - Mr Thomas was in a senior role as managing partner of the firm, with daily access to the firm's accounts.
 - Mr Thomas had direct responsibility for his actions.
 - The breaches identified were widespread and the conduct persisted for longer than reasonable.



b. Mitigating/other factors

- Mr Thomas has expressed remorse.
- There was no suggestion that Mr Thomas acted for personal gain.
- Mr Thomas was not dishonest and did not lack integrity.

A discount of 20% was applied to the penalty to take account of factors including Mr Thomas' early admissions and co-operation, together with the fact that remedial action was taken.

Mr Thomas was directed to pay a financial penalty of £10,266 and ordered to pay costs of £600.

SRA Standards and Regulations breached

SRA Accounts Rules 2011

Rule 1.2 You must comply with the Principles set out in the Handbook, and the outcomes in Chapter 7 of the SRA Code of Conduct in relation to the effective financial management of the firm, and in particular must: (e) establish and maintain proper accounting systems, and proper internal controls over those systems, to ensure compliance with the rules.

Rule 29.25 Suspense client ledger accounts may be used only when you can justify their use; for instance, for temporary use on receipt of an unidentified payment, if time is needed to establish the nature of the payment or the identity of the client.

SRA Accounts Rules 2019

Rule 4.1 You keep client money separate from money belonging to the authorised body.

Rule 4.3 Where you are holding client money and some or all of that money will be used to pay your costs:

- a. you must give a bill of costs, or other written notification of the costs incurred, to the client or the paying party;
- b. this must be done before you transfer any client money from a client account to make the payment; and
- c. any such payment must be for the specific sum identified in the bill of costs, or other written notification of the costs incurred, and covered by the amount held for the particular client or third party.

Rule 5.1 You only withdraw client money from a client account:

- a. for the purpose for which it is being held;



- b. following receipt of instructions from the client, or the third party for whom the money is held; or
- c. on the SRA's prior written authorisation of in prescribed circumstances.

Rule 5.2 You appropriately authorise and supervise all withdrawals made from a client account.

Rule 5.3 You only withdraw client money from a client account if sufficient funds are held on behalf of that specific client or third party to make the payment.

Rule 8.1 You keep and maintain accurate, contemporaneous, and chronological records to:

- a. record in client ledgers identified by the client's name and an appropriate description of the matter to which they relate;
- b. maintain a list of all the balances shown by the client ledger accounts of the liabilities to clients (and third parties), with a running total of the balances; and
- c. provide a cash book showing a running total of all transactions through client accounts held or operated by you.

Rule 8.3 You complete at least every five weeks, for all client accounts held or operated by you, a reconciliation of the bank or building society statement balance with the cash book balance and the client ledger total, a record of which must be signed off by the COFA or a manager of the firm. You should promptly investigate and resolve any differences shown by the reconciliation.

Rule 12.1 If you have, at any time during an accounting period, held or received client money, or operated a joint account or a client's own account as signatory, you must:

- a. obtain an accountant's report for that accounting period within six months of the end of that period; and
- b. deliver it to the SRA within six months of the end of the accounting period if the accountant's report is qualified to show a failure to comply with these rules, such that money belonging to clients or third parties is, or has been, or is likely to be placed, at risk.

SRA Code of Conduct for Firms 2019

Para 2.2 You keep and maintain records to demonstrate compliance with your obligations under the SRA's regulatory arrangements.

Para 5.2 You safeguard money and assets entrusted to you by clients and others.

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. Principle 7 You act in the best interests of each client.

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