



**Shahzads Law Ltd (Shahzads Solicitors )**  
**307 Hoe Street, London , E17 9BG**  
**Recognised body**  
**8000063**

[Agreement Date: 20 January 2025](#)

## **Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 20 January 2025

Published date: 6 February 2025

## **Firm details**

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

Name: Shahzads Law Ltd

Address(es): 307 Hoe Street, London, E17 9BG

Firm ID: 8000063

## **Outcome details**

This outcome was reached by agreement.

### **Decision details**

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

1.1 Shahzads Law Ltd (the Firm), a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA) agrees to the following outcome to the investigation:

- a. Shahzads Law Ltd will pay a financial penalty in the amount of £1,956 under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedures Rules,
- b. to the publication of this agreement, under Rule 9.2 of the SRA Regulatory and Disciplinary Procedures rules; and
- c. Shahzads Law Ltd will pay the cost of the investigation of £600, under Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Rules.

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



2.1 We carried out an investigation into the firm following an inspection by our AML Proactive Supervision team.

2.2 Our inspection identified areas of concern in relation to the firm's compliance with the Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

### **Client and matter risk assessments**

2.3 Between 20 May 2022 and September 2024, the firm failed to conduct client and matter risk assessments (CMRAs), pursuant to Regulation 28(12)(a)(ii) and Regulation 28(13) of the MLRs 2017.

### **3. Admissions**

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2017, it has breached:

- a. Principle 2 of the SRA Principles 2019 – which states you act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.
- b. Paragraph 2.1(a) of the SRA Code of Conduct for Firms 2019 – which states you have effective governance structures, arrangements, systems and controls in place that ensure you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.
- c. Paragraph 3.1 of the SRA Code of Conduct for Firms 2019 – which states that you keep up to date with and follow the law and regulation governing the way you work.

### **4. Why a fine is an appropriate outcome**

4.1 The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating dubious transactions that could have led to money laundering (and/or terrorist financing). This could have been avoided had the firm not failed in conducting appropriate risk assessments on its client and files in-scope matters. Over a third of the firm's work is in-scope of the MLRs 2017; by virtue, its residential conveyancing, commercial conveyancing, probate work. Conveyancing is a high-risk area of work. Property is an attractive asset for criminals because of the large amounts of money that can be laundered through a single transaction and because property will tend to appreciate in value.

4.2 It was incumbent on the firm to meet the requirements set out in the MLRs 2017. The firm failed to do so. The public would expect a firm of solicitors to comply with its legal and regulatory obligations, to protect against these risks as a bare minimum.



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

- a. The agreed outcome is a proportionate outcome in the public interest because it creates a credible deterrent to others and the issuing of such a sanction signifies the risk to the public, and the legal sector, which arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.
- b. There has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
- c. The firm has assisted the SRA throughout the investigation and has shown remorse for its actions.
- d. The firm did not financially benefit from the misconduct.

4.4 Rule 4.1 of the Regulatory and Disciplinary Procedure Rules states that a financial penalty may be appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. There is nothing within this Agreement which conflicts with Rule 4.1 of the Regulatory and Disciplinary Rules and on that basis, a financial penalty is appropriate.

## **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, we and the firm agree the nature of the misconduct was more serious (score of three). This is because the firm failed to conduct CMRAs on client files from the firm's inception on 20 May 2022 until September 2024, in breach of Regulation 28 of the MLRs 2017. The firm, therefore, should have known of its obligations under Regulation 28 to conduct CMRA on files but continued to carry out high risk conveyancing without doing so. The firm only became compliant with the MLRs 2017 because of our inspection and guidance we had provided. The breach has arisen as a result of recklessness and a failure to pay sufficient regard to money laundering regulations and published guidance.

5.3 The firm has failed to ensure that it was fully compliant with its statutory obligations until September 2024, a period of over two years since it started conducting in scope work in 2022 (notwithstanding the established principle of conducting CMRAs had been around for several years).

5.4 The impact of the harm or risk of harm is assessed as being medium (score of four). This is because the nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. Our records indicate the firm carries out over a third of its work in scope of the money laundering regulations, with a fifth of the firm's turnover



currently coming from conveyancing work alone. Furthermore, the firm's failure to conduct appropriate risk assessments, on its in-scope clients and matters, has continued over a period of two years, which left it vulnerable and exposed to the risks of money laundering. This puts it at a greater risk of being used to launder money. There is no evidence of there being any direct loss to clients or actual harm caused as a result of the firm's failure to ensure it had proper documentation in place.

5.5 The 'nature' of the conduct and the 'impact of harm or risk of harm' added together give a score of seven. This places the penalty in Band 'C', as directed by the Guidance, which indicates a broad penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover.

5.6 The firm, as of September 2024, has provided six CMRA forms from its current in scope client files. We consider the risk assessments to be compliant and adequately documented on files. Despite its current compliance, it failed to do this for a period of over two years since the firm started conducting in-scope work. The lack of client and matter risk assessments on files, over a two year period, shows a pattern of behaviour and increases the risks of the firm laundering illicit funds. The SRA, therefore, considers a basic penalty in the lower end of the bracket to be appropriate.

5.7 Based on the evidence the firm has provided of its annual domestic turnover; this results in a basic penalty of £2,445.

5.8 The SRA considers that the basic penalty should be reduced to £1,956. This reduction reflects the firm's cooperation with the AML Proactive Supervision team and AML Investigations team, along with remedying the breaches.

5.9 The firm does not appear to have made any financial gain or received any other benefit as a result of its conduct. Therefore, no adjustment is necessary to remove this and the amount of the fine is £1,956.

## **6. Publication**

6.1 Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules states that any decision under Rule 3.1 or 3.2, including a Financial Penalty, shall be published unless the particular circumstances outweigh the public interest in publication.

6.2 The SRA considers it appropriate that this agreement is published as there are no circumstances that outweigh the public interest in publication and it is in the interest of transparency in the regulatory and disciplinary process.

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

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

7.2 If the firm 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 Acting in a way which is inconsistent with this agreement may also constitute a separate breach of Principles 1, 2 and 5 of the Principles and paragraph 3.2 of the Code of Conduct for Firms.

## **8. Costs**

8.1 The firm 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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