

**Lubna Naz Khan**  
**Solicitor**  
**354086**

[Agreement Date: 24 June 2022](#)

**Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 24 June 2022

Published date: 7 July 2022

**Firm details**

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

Name: Woodhall Solicitors Ltd

Address(es): 202 Keighley Road, Bradford, BD9 4JZ

Firm ID: 650446

**Outcome details**

This outcome was reached by agreement.

**Decision details**

**1. Agreed outcome**

1.1 At the time of matters giving rise to this outcome Ms Lubna Khan was a solicitor, director, authorised signatory to the firm's client account and MLRO and MLCO of Woodhall Solicitors Ltd, a licensed body regulated by the Solicitors Regulation Authority (SRA).

Ms Khan agrees to the following outcome to the investigation of her conduct:

- a. she is rebuked, pursuant to Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules.
- b. the publication of this agreement, pursuant to Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules.
- c. she will pay costs of the investigation of £600, pursuant to Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Procedure Rules.



## **Reasons/basis**

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

2.1 A fee earner at the firm was undertaking a commercial property sale for a client, Mr H.

2.2 Mr H provided bank details to the firm, not in his own name but that of a third-party company. There is no evidence that the fee earner made any enquiries into the identity of the third-party.

2.3 The firm received the deposit money from the buyer's solicitors, and on 26 February 2021 the fee earner requested that Ms Khan, as authorised signatory of the firm's client account, transfer the deposit to the seller.

2.4 On the same day (26 February 2021) Ms Khan, on behalf of the firm, transferred the deposit monies in the sum of £67,857 from its client account to the third-party bank account without reviewing the parties or account details on the matter.

2.5 Soon after, it transpired that the Mr H who instructed the firm was a fraudster, impersonating the real Mr H.

2.6 Ms Khan notified the relevant authorities, and the property sale transaction thereafter did not complete.

### **3. Admissions**

3.1 Ms Khan admits, and the SRA accepts, that on 26 February 2021 she made a payment of £67,857 from the firm's client account into a third-party bank account unrelated to the transaction.

Therefore, she has:

3.2 Failed to achieve rule 4.2. of the SRA Code of Conduct for Solicitors 2019, which states "you safeguard money and assets entrusted to you by clients and others", and

3.3 Breached Rule 5.2 of the SRA Account Rules 2019, which states "you appropriately authorise and supervise all withdrawals made from client account"

3.4 By way of explanation, Ms Khan states that:

1. this is an isolated incident that does not form a pattern of misconduct.
2. she accepts that she made a mistake, and this was an oversight on her part.



3. customer due diligence was conducted; however, the fraud was sophisticated.
4. Ms Khan reviewed the matter, noticed concerns (albeit after the deposit funds had been sent), halted the transaction, and notified the relevant authorities.
5. Ms Khan subsequently assisted in the recovery of the buyers losses from the firm's bank.

#### **4. Why the agreed outcome is appropriate:**

4.1 The SRA considers, and Ms Khan accepts, that a rebuke is appropriate following reference to the SRA Enforcement Strategy because:

1. the breach is serious and caused harm to the seller who lost their deposit at the time (with those monies not being refunded by the bank until over one year later).
2. Ms Khan took remedial action and steps to rectify the breach.
3. there is a low risk of repetition, particularly in light of the degree of insight and remorse shown by Ms Khan.
4. Ms Khan has assisted and cooperated with the SRA throughout the investigation, and promptly admitted to misconduct.
5. the agreed outcome is a proportionate outcome in the public interest because the issuing of such a sanction is necessary to maintain standards by highlighting the risks arising from the behaviour in question and deterring such repetition.

#### **5. Publication**

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

5.2 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 interests of transparency in the regulatory and disciplinary process to do so.

#### **6. Acting in a way which is inconsistent with this Agreement**

6.1 Ms Khan agrees that she will not act in any way which is inconsistent with this agreement, such as by denying the admissions made in this Agreement or responsibility for the conduct referred to above. That may result in a further disciplinary sanction.

6.2 Denying the admissions made or acting in a way which is inconsistent with this Agreement may also constitute a separate breach of Principles 1, 2 and 5 of the SRA Principles contained within the SRA

Standards and Regulations 2019 (such SRA Principles having been in force since 25 November 2019).

## **7. Costs**

7.1 Ms Khan agrees to pay costs of the SRA's investigation in the sum of £600. Such costs are due within 28 days of a statement of costs being issued by the SRA.

The date of this Agreement is 24 June 2022.

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