

Hansells
Cambridge House 26 Tombland Norwich , NR3 1RE
Licenced body
050602

[Fined Date: 19 April 2024](#)

Decision - Fined

Outcome: Fine

Outcome date: 19 April 2024

Published date: 20 May 2024

Firm details

No detail provided:

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this disciplinary decision relate to?

Hansells is a licensed body, whose head office is at Cambridge House, 26 Tombland, Norwich, NR3 1RE (the firm).

Short summary of decision

We have fined the firm £120,885 (an amount equivalent to 3.2% of its gross annual turnover) and £1,350 costs for failing to replace client money which had been improperly withdrawn from the client account between 1 April 2014 and 25 March 2022.

Facts of the misconduct

In 2001, the firm's predecessor, Hansells Solicitors (a recognised body) was instructed to deal with the administration of an estate. Due to a mistake in the interpretation of the rules of intestacy, it distributed the estate incorrectly. It paid out money to beneficiaries in the wrong amounts. This meant client money had been improperly withdrawn from the client account. Between 2001 and 2014, some of the incorrectly distributed money was replaced.

However, on 1 April 2014, when the firm became a licensed body, it had a shortfall on its client account of £21,958.38.

This shortfall was not replaced until 25 March 2022, following a qualified accountants report.

It was found that between 1 April 2014 and 25 March 2022, the firm failed to replace client money which had been improperly withdrawn from the client account.

In doing so, in so far as the conduct took place before 24 November 2019, the firm breached rules 13.8 and 7.1 of the SRA Accounts Rules 2011 and Principle 6 of the SRA Principles 2011.

In so far as the conduct took place on or after 25 November 2019, the firm breached rules 2.4 and 6.1 of the SRA Accounts Rules 2019 and Principle 2 of the SRA Principles 2019.

Decision on sanction

The firm was directed to pay a financial penalty of £120,885 and ordered to pay costs of £1,350.

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

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

- a. The firm's conduct was serious, and any lesser sanction would not provide a credible deterrent to the firm and others. A credible deterrent plays a key role in maintaining professional standards and upholding public confidence.
- b. The firm's conduct failed to uphold public trust and confidence in the profession.
- c. The conduct continued even after it was known to be improper.
- d. The breach was rectified, but it persisted for longer than was reasonable and only when prompted.

In view of the above, the firm's conduct was placed in conduct band C which has a financial penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover in the previous financial year. Its conduct was placed towards the middle of this bracket at C4 given:

- a. Aggravating factors
 - The conduct persisted after it was known to be improper.
 - The findings related to client money. The client account is sacrosanct and any failure to protect client money is serious.
 - The beneficiaries of the estate did not receive their proper entitlements for years. Some of these beneficiaries were



- elderly, and passed away before they could be properly paid.
- The firm only replaced the money after a qualified accountants report, which prompted the SRA to begin a forensic investigation.
- b. Mitigating factors
 - There were no findings of dishonesty or a lack of integrity.
 - The firm had made some admissions, albeit only once the matter had been referred to a decision maker.
 - The firm did eventually replace the missing funds from its office account in March 2022.

SRA Rules and Principles breached

SRA Accounts Rules 2011

Rule 7.1 Any breach of the rules must be remedied promptly upon discovery. This includes the replacement of any money improperly withheld or withdrawn from a client account.

Rule 13.8 Money held in a client account must be immediately available, even at the sacrifice of interest, unless the client otherwise instructs, or the circumstances clearly indicate otherwise.

SRA Principles 2011

Principle 6 You must behave in a way that maintains the trust the public places in you and in the provision of legal services.

SRA Accounts Rules 2019

Rule 2.4 You ensure that client money is available on demand unless you agree an alternative arrangement in writing with the client, or the third party for whom the money is held

Rule 6.1 You correct any breaches of these rules promptly upon discovery. Any money improperly withheld or withdrawn from a client account must be immediately paid into the account or replaced as appropriate.

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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