

Robin Edward Stubbings

Solicitor

106788

Agreement Date: 5 September 2022

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 5 September 2022

Published date: 2 November 2022

Firm details

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

Name: C C BELL & SON

Address(es): 7 Grove Place, Bedford

Firm ID: 54305

Outcome details

This outcome was reached by agreement.

Decision details

1 Agreed outcome

1.1 Mr Robin Edward Stubbings, recognised sole practitioner of the firm C C Bell & Son ("the firm"), a recognised sole practice, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation of his conduct:

- to pay a financial penalty in the sum £2,000, pursuant to Rule 3.1(b) of the SRA regulatory and Disciplinary Procedure Rules
- to the publication of this agreement, pursuant to Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules
- to pay the costs of the investigation of £1350, pursuant to Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Procedure Rules.

2. Summary of Facts

2.1 Mr Stubbings is the sole owner and manager of the firm, and holds all of the compliance roles, including Compliance Officer for Legal Practice

(COLP), Compliance Officer for Finance and Administration (COFA), Money Laundering Reporting Officer (MLRO) and Money Laundering Compliance Officer (MLCO).

2.2 We carried out an investigation into Mr Stubbings' firm following a failure to comply with our request to undertake an AML desk-based review.

2.3 The investigation identified areas of concern in relation to compliance with Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2011, the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

2.4 The firm did not have in place an AML practice-wide (firm-wide) risk assessment, as required by Regulation 18 of the MLRs 2017, from 26 June 2017 (when the MLRs 2017 came into force) until 31 May 2022, and Mr Stubbings failed to have sufficient regard for the SRA's warning notice on this topic first issued on 7 May 2019.

2.5 Mr Stubbings, on behalf of his firm, incorrectly made a declaration to us, on 3 February 2020, that the firm's risk assessment was compliant, in line with the requirements of Regulation 18 and in line with relevant guidance. The firm's risk assessment was not in place and compliant until 31 May 2022.

2.6 Mr Stubbings (and his firm) did not establish AML policies, controls and procedures (PCPs), as required by Regulation 19 of the MLRs 2017 (and previously policies and procedures, as required by Regulation 20 of the Money Laundering Regulations 2007; the previous iteration of the money laundering regulations, in force since December 2007), and the firm was required to have established and maintained such policies and procedures, to mitigate and manage effectively the risks of money laundering and terrorist financing.

2.7 Mr Stubbings informed us that he and the firm failed to establish policies, controls and procedures (previously known as policies and procedures) because his firm was a recognised sole practice with only one fee earner (himself) and therefore there was no need to have established them. This is incorrect because firms of all sizes may be targeted by money launderers.

2.8 The firm also failed to have client/matter risk assessments in place, on matters that were in scope of the money laundering regulations, pursuant to Regulation 28(12)(a)(ii) of the MLRs 2017, to show how the firm had assessed the level of risk arising in any particular matter.

3. Admissions

3.1 Mr Stubbings admits, and the SRA accepts, that by failing to comply with money laundering legislation, he and his firm have:

- SRA Handbook (from 6 October 2011 to 25 November 2019)
- failed to behave in a way that maintains the trust the public places in the firm and in the provision of legal services, in breach of Principle 6 of the SRA Principles 2011.
- failed to comply with its legal and regulatory obligations, in breach of Principle 7 of the SRA Principles 2011.
- failed to carry out the business effectively and in accordance with proper governance and sound financial and risk management principles, in breach of Principle 8 of the SRA Principles 2011.
- failed to achieve Outcome 7.2 of the SRA Code of Conduct 2011, which states you have effective systems and controls in place to achieve and comply with all the Principles, rules and outcomes and other requirements of the Handbook where applicable.
- failed to achieve Outcome 7.3 of the SRA Code of Conduct 2011, which states that you identify, monitor and manage risks to compliance with all the Principles, rules and outcomes and other requirements of the Handbook, where applicable.
- failed to achieve Outcome 7.5 of the SRA Code of Conduct 2011, which states you comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

From 25 November 2019 (when the SRA Standards and Regulations came into force) until 31 May 2022 when his firm became compliant:

- Failed to act in a way that upholds public trust and confidence in the solicitors profession and in legal services provided by authorised person, in breach of principle 2 of the SRA Principles 2019
- failed to keep up to date with the follow the law and regulation governing the way you work, in breach of Rule 7.1 of the SRA Code of Conduct for Solicitors.
- failed to cooperate with the SRA during AML compliance checks and our investigation, in breach of Rule 7.3 of the SRA Code of Conduct for Solicitors. failed to respond promptly to the SRA and:
 - i. provide full and accurate explanations, information and documents in response to any request or requirement; and
 - ii. ensure that relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the SRA.
 - 1. in breach of Rule 7.4 of the SRA Code of Conduct for Solicitors.



4. Why the agreed outcome is appropriate

4.1 The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating transactions that could have led to money laundering (and/or terrorist financing).

This could have been avoided had Mr Stubbings' firm established an adequate practice-wide (firm-wide) risk assessment, adequate policies, controls and processes at the firm (and previously policies and procedures) and assessed the level of risk arising in any particular case.

The lack of compliance showed an AML control environment failing at his firm by Mr Stubbings:

- 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, that 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.
- c. Mr Stubbings and his firm did not financially benefit from the misconduct.
- d. Mr Stubbings recognises that he failed in his basic duties regarding statutory money laundering regulations and regulatory compliance, as identified during the SRA's inspection and subsequent investigation.

4.2 Rule 4.1 of the SRA 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 what is stated in Rule 4.1 and on that basis a financial penalty is appropriate.

4.3 In deciding the level of the financial penalty reference is made to the guidance on The SRA's Approach to Financial Penalties. Following the three-step fining process, the SRA has determined the following:

- the nature of the misconduct was low/medium because the conduct was reckless. There was a failure on the part of Mr Stubbings and his firm to comply with statutory obligations, as imposed by statutory money laundering regulations, and a failure to comply with the SRA's rules that were in force at the time. The Guidance gives this level of impact a score of one. The SRA considers that the impact of the misconduct was medium

because there was a failure to have in place a compliant practice-wide risk assessment, compliant policies, controls and procedures (previously known as policies and procedures) and client/matter risk assessment as obliged by statutory legislation. The Guidance gives this level of impact a score of four.

The associated 'Conduct band' is "B", owing to the total score of 5 (1+4) from sub-paragraphs above, giving a penalty bracket of £1,001 to £5,000.

4.4 However, in deciding the level of fine within this bracket, the SRA has considered the mitigation which Mr Stubbings has put forward. The SRA considers that on the basis of the mitigation offered, a basic penalty towards the middle of the bracket, of £2,000, is appropriate.

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 a Financial Penalty, 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 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 Mr Stubbings agrees that he will not act in any way which is inconsistent with this agreement, such as by denying responsibility for the conduct referred to above. That may result in a further disciplinary sanction. 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).

6.2 In addition, Mr Stubbings agrees to establish and maintain policies and procedures, to mitigate and manage effectively the risks of money laundering and terrorist financing pursuant to Regulation 19(1)(b) of the MLRs 2017.

7. Costs

7.1 Mr Stubbings agrees to pay the costs of the SRA's investigation in the sum of £1,350. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

The date of this Agreement is 5 September 2022.