



Angel Wilkins LLP
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Recognised body
524327

Agreement Date: 29 November 2023

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 29 November 2023

Published date: 8 December 2023

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Angel Wilkins LLP (the Firm), a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation:

- a. Angel Wilkins LLP will pay a financial penalty in the sum of £7,900, under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedure Rules;
- b. to the publication of this agreement, under Rule 9.2 of the SRA Regulatory and Disciplinary Procedure Rules; and
- c. Angel Wilkins LLP will pay the costs of the investigation of £600, under Rule 10.1 and Schedule 1 of the SRA Regulatory and Disciplinary Procedure Rules.

Reasons/basis

2. Summary of Facts

2.1 We carried out an investigation into Angel Wilkins LLP (the firm) following a desk-based review by our AML Proactive Supervision team. The desk-based review 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 2011, the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

2.2 The firm did not have in place a compliant firm-wide risk assessment (FWRA) between 26 June 2017 and March 2023, in breach of Regulation 18 of the MLRs 2017. The firm is required to have a FWRA which includes details of the firm's assessment of risks in five key areas. The FWRA provided to our AML Officer dated November 2022 was not compliant with the MLRs 2017, as it did not cover each of the five key risk areas in sufficient detail. On 22 June 2023, an updated FWRA was provided to us, which is dated March 2023 and is compliant with the MLRs 2017.

2.3 The firm failed to have in place compliant policies, controls and procedures (PCPs) between 26 June 2017 and March 2023, in breach of Regulation 19 of the MLRs 2017. The firm is required to have established and maintained PCPs, to mitigate and manage effectively the risks of money laundering and terrorist financing. The firm had an AML policy in place since its inception, however, our desk-based review concluded that this policy did not cover all of the mandatory requirements of Regulation 19 of the MLRs 2017. On 22 June 2023, updated PCPs were provided to us, which are dated March 2023 and are compliant with the MLRs 2017.

3. *Admissions*

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

From 26 June 2017 to 25 November 2019 (when the SRA Handbook 2011 was in force), the firm has breached:

- a. Principle 6 of the SRA Principles 2011 – which states you must behave in a way that maintains the trust the public places in you and in the provision of legal services.
- b. Principle 8 of the SRA Principles 2011 – which states you must run your business or carry out your role in the business effectively and in accordance with proper governance and sound financial risk management principles.

And the firm has failed to achieve:

- c. 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.

And from 25 November 2019 (when the SRA Standards and Regulations came into force) until March 2023, the firm has breached:

- d. 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.
- e. Paragraph 2.1(a) of the SRA Code of Conduct for Firms – 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.

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 established adequate AML documentation and controls.

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, 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 and there is a low risk of repetition.
- c. The firm has assisted the SRA throughout the investigation, admitted the breaches 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 financial penalty has been calculated in line with our published guidance on the approach to setting an appropriate financial penalty (the Guidance).

5.2 Having regard to the Guidance, we and the firm, Angel Wilkins LLP, agree that the nature of the misconduct was less serious. Although the firm's policies did not meet all of the mandatory requirements as set out in Regulation 19 of the MLRs 2017, the firm has had AML policies, control and procedures in place since its inception. With regards to the FWRA, the firm genuinely believed that it had met the necessary requirements, as it had compiled a firm risk assessment for its professional indemnity insurance renewal and therefore this misconduct was not intentional. On receipt of the letter from our AML Proactive team in January 2023, the firm immediately improved its documentation and therefore the conduct did not continue after it was known to be improper. The Guidance gives this type of misconduct a score of one (1).

5.3 We and the firm agree that the impact of harm or risk of harm was medium. The documents that the firm were required to have in place did not meet the requirements of Regulations 18 and 19 of the MLRs 2017 until at least March 2023. This left the firm vulnerable to the risk of harm of money laundering - particularly when acting in conveyancing transactions, which accounts for around 90% of the firm's turnover. However, no serious issues were identified with any of the sampled files, save for some additional source of funds guidance required on three files, and therefore no harm appears to have been caused. Although the risk of harm is arguably high, no actual harm appears to have occurred. The Guidance gives this type of misconduct a score of four (4).

5.4 The "nature" of the conduct and the "impact of harm or risk of harm" added together, give a score of five. This places the penalty in Band "B", as directed by the Guidance.

5.5 We then determine which band within the bracket the penalty should be placed into. We and the firm agree the financial penalty to be in Band B1, which determines a basic penalty of 0.4% of annual domestic turnover (firms). The penalty has been placed into band B1 because the lack of compliant Regulation 18 and 19 documents does not appear to have impacted the firm's files and was unintentional.

5.6 For 2022/23, the firm had an annual domestic turnover of £2,469,869. The basic penalty is therefore £9,879 (£2,469,869 x 0.4/100).

5.7 We have also considered mitigating factors and consider that the basic penalty should be discounted by 20%. This is to take account of the following factors as indicated by the Guidance:

- a. Remedying any harm caused – the firm has put in place a more detailed FWRA and improved process and procedures, as recommended by the AML Officer. No serious issues were identified with any of the sampled files and therefore no harm appears to have been caused.
- b. Cooperating with our investigation – the firm has fully cooperated with our investigation.

5.8 The adjusted penalty is therefore £7,900.

5.9 Angel Wilkins LLP does not appear to have made any financial gain or received any other benefit as a result of its conduct, that exceeds the level of the basic penalty. Therefore, no adjustment is necessary and the financial penalty is £7,900.

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 Angel Wilkins LLP agrees that it will not act in any way which is inconsistent with this agreement, such as by denying responsibility for the conduct referred to above. This may result in a further disciplinary sanction.

7.2 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.

8. Costs

8.1 Angel Wilkins LLP 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.