

Afshan Manzoor

Solicitor

317633

Agreement Date: 6 January 2022

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 6 January 2022

Published date: 7 January 2022

Firm details

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

Name: Aim Legal Limited

Address(es): The Tube Business Centre, 86 North Street, Cheetham Hill, Manchester, M8 8RA

Firm ID: 469183

Outcome details

This outcome was reached by agreement.

Decision details

This outcome was reached by agreement.

1. Agreed outcome

1.1 Miss Afshan Manzoor, a solicitor and sole director of Aim Legal Limited, a recognised body authorised and regulated by the Solicitors Regulation Authority (SRA), agrees to the following outcome to the investigation of her conduct:

- a. she will pay a financial penalty in the sum of £2,000, 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 Miss Manzoor is the sole solicitor, owner, manager and director of Aim Legal Limited (incorporated, authorised by the SRA and trading since 2007), as well as being the firm's 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 Miss Manzoor was also the fee earner with sole conduct of a commercial property matter which completed in 2021, on behalf of a longstanding client of the firm.

2.3 Following completion of the matter, the firm, in its client account, held surplus funds of £20,000 belonging to its client.

2.4 The client, a limited company, instructed Miss Manzoor that it did not require the funds to be paid to it, but instead wished for the £20,000 to be loaned to an unconnected third-party business associate, subject to a loan agreement.

2.5 The formal loan agreement, dated 1 June 2021, was drafted by a separate firm of solicitors, who had witnessed the signature of its client (the business associate borrower).

2.6 Miss Manzoor witnessed the signature of her client (the lender).

2.7 The monies of £20,000 were remitted directly from Miss Manzoor's firm's client account on 1 June 2021 to the borrower and reflected on the client ledger as "Loan".

3. Admissions

3.1 Miss Manzoor admits, and the SRA accepts, she has breached Rule 3.3 of the SRA Accounts Rules (2019), which states "you must not use a client account to provide banking facilities to clients or third parties. Payments into, and transfers or withdrawals from a client account must be in respect of the delivery by you of regulated services", because there was no underlying legal transaction on which she was instructed.

and therefore she has:

3.2 Breached 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", and



3.3 Failed to have sufficient regard for her duties pursuant to the SRA's warning notice on the improper use of client account as a banking facility, which was first issued on 18 December 2014 and updated on 6 August 2018 and again on 25 November 2019.

3.4 By way of explanation, Miss Manzoor states that:

- a. this is an isolated incident, does not form a pattern of misconduct and will not happen again.
- b. on reflection she has made a mistake, which she did purely out of convenience for her longstanding client and its business associate.
- c. the consideration of £20,000 was genuine funds that remained following completion of a recently completed commercial conveyancing transaction. Those monies had been subject to appropriate customer due diligence and source of funds checks, in compliance with the relevant money laundering regulations, prior to them being received into the firm's client account.
- d. The loan agreement too was genuine and bona fide, having been drafted by a separate firm of solicitors on behalf of the borrower (who was also known to Miss Manzoor from other previous business dealings).

4. Why the agreed outcome is appropriate:

4.1 The SRA considers, and Miss Manzoor accepts, that a financial penalty is appropriate following reference to the SRA Enforcement Strategy because:

- a. the breach is serious and in contravention of an established understanding that a client account cannot be used as a banking facility.
- b. Miss Manzoor had direct control and responsibility for the conduct, has shown a wilful or reckless disregard for her regulatory obligations and was unaware of the breach until the SRA identified it.
- c. 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.
- d. there has been no evidence of lasting harm to consumers, or third parties, being caused by the admitted breach.
- e. there is a low risk of repetition, particularly in light of the degree of insight and remorse shown by Miss Manzoor.



- f. Miss Manzoor has assisted the SRA throughout the investigation, admitted the breach promptly and evidenced that the loan was genuine, and the monies had previously been appropriately checked in line with money laundering regulations.

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.

4.3 In deciding the level of the financial penalty, agreed at £2,000, reference is made to the SRA's Approach to Setting an Appropriate Financial Penalty (issued 13 August 2013 and updated on 25 November 2019). Following the three-step fining process, the SRA has determined the following:

- a. Step 1(a) – assessing the seriousness of the misconduct:

Nature of conduct score: Low/Medium = nature score of 1.

Harm or risk of harm: Medium = impact score of 4.

- b. Step 1(b) – arriving at a broad penalty bracket:

Conduct band "B", as nature and impact scores total 5 (1 + 4), indicating a basic penalty of between £1,001 and £5,000.

- c. The SRA and Miss Manzoor agree the basic penalty be towards the middle of the band, because the breach was serious, but the risks did not crystallise into causing harm to clients or the wider public interest.

- d. In determining the level of financial penalty of £2,000, the SRA has also taken account of the mitigating factors listed above, in sections 4.1.d, 4.1.e and 4.1.f.

Publication

4.4 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.

4.5 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.

5. Acting in a way which is inconsistent with this Agreement

5.1 Miss Manzoor 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. 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).

6. Costs

6.1 Miss Manzoor 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 6 January 2022.

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