

Samuel Palin

Solicitor

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Agreement Date: 16 September 2021

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 16 September 2021

Published date: 28 September 2021

Firm details

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

Name: S J Palin & Co

Address(es): 14-16 Bridge Street, Amble, Morpeth NE65 0DR

Firm ID: 647097

Outcome details

This outcome was reached by agreement.

Reasons/basis

1. Agreed outcome

1.1 Samuel Palin, a solicitor of S J Palin & Co Solicitors (the firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. he is rebuked
- b. to the publication of this agreement
- c. he will pay the costs of the investigation of £300.

2. Summary of Facts

2.1 Mr Palin is a sole practitioner trading as SJ Palin & Co.

2.2 On 15 April 2019, Mr A attended the firm's office without prior appointment and explained to Mr Palin that:



- i. He had borrowed £53,800 from Mr B, his mother's former partner.
- ii. He had recently purchased a property in the local area which he intended to renovate then sell. On sale, the proceeds would be used to repay Mr B.
- iii. He wanted Mr Palin to prepare a letter to be sent to Mr B in which this agreement would be confirmed. The purpose of the letter was to give Mr B reassurance about repayment of the sum owed to him.

2.3 Mr Palin advised Mr A that it would be more appropriate for a Declaration of Trust to be prepared because this would record Mr B's share of the property and it could be registered against the property at Her Majesty's Land Registry (HMLR).

2.4 Mr Palin did not undertake client identification checks at this first meeting because Mr A did not have the relevant documentation with him. Mr Palin asked him to return to the firm with the required forms of identification.

2.5 On 17 April 2019 Mr A provided Mr Palin with his passport but he did not produce evidence of his residence or evidence that he owned the property that the Declaration of Trust was to be registered against. On this date, Mr Palin provided Mr A with a draft Declaration of Trust which he signed but the signature was not witnessed.

2.6 Mr Palin wrote to Mr B on 17 April 2019 about the Declaration of Trust and, in error, enclosed the signed and unwitnessed version of it instead of an unsigned version of the draft.

2.7 Following receipt of Mr Palin's letter, Mr B telephoned him on either 25 or 26 April 2019 explaining that his checks had revealed that Mr A was not the owner of the property to which the Declaration of Trust related. During this conversation, Mr Palin stated that he had been told by Mr A that the purchase of the property had completed on 10 April 2019 and therefore insufficient time may have elapsed between the completion and the updating of the records held at HMLR. Having discussed the matter with Mr Palin, Mr B confirmed that he was content for the Declaration of Trust to be submitted to HMLR for registration.

2.8 Mr Palin submitted the Declaration of Trust to HMLR and it contacted him on 9 May 2019, to advise that Mr A was not the registered owner of the property to which the application related. This prompted Mr Palin to contact Mr A; he received no response from Mr A and no evidence of his ownership of the property. The application was rejected by HMLR on 23 May 2019.



2.9 On 28 May 2019, relatives of Mr B met with Mr Palin to advise him that: (i) they believed that Mr B had been a victim of fraud, and (ii) that Mr B had loaned additional monies to Mr A following receipt of the Declaration of Trust because he believed that it safeguarded his interests.

2.10 The matter was reported to Northumbria Police and in September 2020 Mr A was convicted of offences of fraud and theft and sentenced to a term of imprisonment.

3. Admissions

3.1 Mr Palin makes the following admission which the SRA accepts:

- a. That by preparing the Declaration of Trust then sending it to Mr B, when he had:
 - a. failed to conduct adequate client identification checks on his client, and
 - b. failed to verify that his client owned the property to which the Declaration of Trust related,

he breached Principles 6 and 8 of the SRA Principles 2011.

4. *Why a written rebuke is an appropriate outcome*

4.1 The SRA's Enforcement Strategy sets out its approach to the use of its enforcement powers where there has been a failure to meet its standards or requirements.

4.2 When considering the appropriate sanctions and controls in this matter, the SRA has taken into account the admissions made by Mr Palin and the following mitigation which he has put forward:

- a. He accepts that he failed to make appropriate enquiries to ascertain the ownership of the property.
- b. He attempted to protect Mr B's interests by submitting the Declaration of Trust to HMLR even though he did not receive payment of the relevant fee from his client.
- c. He has no previous history of failing to comply with his regulatory obligations.
- d. Mr B gave no indication that he intended to make additional loans to Mr A after he received the Declaration of Trust from Mr Palin.

4.3 The SRA considers that a written rebuke is the appropriate outcome because:



- a. Mr Palin's behaviour was reckless as to the risk of harm to Mr B.
- b. A rebuke is appropriate to maintain professional standards because Mr Palin's conduct was serious, and any lesser sanction would not provide a credible deterrent to Mr Palin and others.
- c. A rebuke is appropriate to uphold public confidence in the solicitors' profession and in legal services provided by authorised persons.
- d. Mr Palin took steps to safeguard Mr B's position by submitting the application to HMLR.
- e. Mr Palin has cooperated with the SRA's investigation.
- f. Mr Palin has made improvements to his client inception process.
- g. This appears to be an isolated incident with a low risk of repetition.

5. Publication

5.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. Mr Palin agrees to the publication of this agreement.

6. Acting in a way which is inconsistent with this agreement

6.1 Mr Palin agrees that he will not deny the admissions made in this agreement or act in any way which is inconsistent with it.

6.2 If Mr Palin denies the admissions or acts in a way which is inconsistent with this agreement, the conduct which is subject to this agreement may be considered further by the SRA. That may result in a disciplinary outcome or a referral to the Solicitors Disciplinary Tribunal on the original facts and allegations.

6.3 Denying the admissions made or acting in a way which is inconsistent with this agreement may also constitute a separate breach of principles 2 and 5 of the Principles and paragraph 7.3 of the Code of Conduct for Solicitors, RELs and RFLs.

7. Costs

7.1 Mr Palin agrees to pay the costs of the SRA's investigation in the sum of £300. Such costs are due within 28 days of a statement of costs due being issued by the SRA.