

Geoffrey Greenhouse

Solicitor

110593

Agreement Date: 20 January 2022

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 20 January 2022

Published date: 26 January 2022

Firm details

Firm or organisation at date of publication

Name: Greenhouse Stirton & Co Limited

Address(es): 1-2 Faulkner's Alley, Cowcross Street, London, EC1M 6DD

Firm ID: 484713

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Mr Geoffrey Greenhouse, a solicitor and director of Greenhouse Stirton & Co Limited (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 On 27 April 2016 Mr Greenhouse was appointed as deputy for property and affairs for Mr R. On 3 August 2020 the Court of Protection accepted the application from Mr Greenhouse to retire from the deputyship. The Court appointed a new deputy for Mr R. The Court also ordered Mr Greenhouse to:

- a. provide a final account to the new deputy

- b. disclose copies of all documents to the new deputy,
including correspondence or records he held or had access
to that related to Mr R's property and affairs
- c. transfer all property belonging to Mr R which remains under
his control to the new deputy.

2.2 On 2 November 2020 Mr Greenhouse submitted a bill of costs to the new deputy for £9,038.94. The new deputy requested court assessment as the level was above the fixed costs allowed. On 5 March 2021 the Senior Costs Office issued a provisional costs certificate for £7,597.96. Mr Greenhouse sought these costs. On 16 April 2021 the new deputy had accepted the costs but stated, in a letter to Mr Greenhouse:

"We do not propose to object to the provisional assessment from the Cost Office.

As you will appreciate, Mr R [redacted] has limited resources and we are in the process of making an application to the Court to enter into various loan arrangements to cover the outstanding service charges. Sadly we are not able to pay your costs at this time."

2.3 On 27 April 2021 Mr Greenhouse paid himself the amount of the assessed and accepted bill of £7,597.96. The payment was taken from Mr R's account which was still held in Mr Greenhouse's name, and to which he still held a cheque book for. Mr Greenhouse said that he called the bank manager before taking the payment who confirmed there was £9,000 in the account. Mr Greenhouse says that he calculated that would be sufficient, after taking his costs, for three months of Mr R's normal expenditure from the account and that there was a further £9,200 cash deposited with the Court Funds Office.

2.4 On 29 April 2021 a final costs certificate was issued for the same amount, £7,597.96.

2.5 On 20 July 2021 the new deputy raised the issue of the payment with Mr Greenhouse. Correspondence was exchanged culminating with the new deputy asking for the funds to be returned to Mr R by 23 July 2021 or stating the matter would be reported to the SRA. Mr Greenhouse asserted that he was due the assessed costs and could take payment from an account that he still considered to be his client account. A report was made thereafter to the SRA.

2.6 The new deputy said that Mr Greenhouse caused Mr R's account to be overdrawn by taking the payment. The new deputy has been asked to provide evidence of the overdraft charges that occurred. The evidence provided shows overdraft charges, totalling less than £25, were incurred on this account between May to July 2021.

2.7 Mr Greenhouse explained to the SRA that he had believed he was entitled to take funds from what he believed was part of his client account, once his bill had been assessed and accepted by the new deputy. Following engagement with the SRA, Mr Greenhouse accepted that to take a payment he needed to follow Rule 5.1 of the SRA Account Rules, which he did not do. Mr Greenhouse has apologised and reflected that he should have sought guidance from the SRA before taking payment.

3. Admissions

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

- a. that by taking payment of his costs from a client account when the money was not held expressly to pay his costs, the client had not agreed to the payment and the SRA had not authorised it, he breached Rule 5.1 of the SRA Account Rules.

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 Greenhouse and the following mitigation which he has put forward:

- a. he mistakenly believed he could take the payment within the Account Rules
- b. he has apologised for his misunderstanding of the Account Rules and reflected that he should have sought advice from the SRA before taking the payment
- c. the money taken was for due costs that had been assessed by the courts and accepted by the new deputy, albeit without payment being agreed
- d. the money in his client account could have been held in lien if this option was exercised properly and confirmed with a court decision
- e. the account was not overdrawn immediately following the payment, this only took place over a month later.

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

- a. the breach was of moderate seriousness

- b. there was no lasting significant harm
- c. the conduct does not represent an intentional failure to comply with regulatory obligations
- d. there is a low risk of repetition
- e. some public sanction is required to uphold public confidence in the delivery of legal services
- f. a degree of remorse and insight have been shown.

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 Greenhouse agrees to the publication of this agreement.

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

6.1 Mr Greenhouse 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 Greenhouse 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 Greenhouse 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.

Search again [<https://www.sra.org.uk/consumers/solicitor-check/>]