

Chukwuemeka Mmegwa

Solicitor

578238

[Agreement Date: 24 September 2024](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 24 September 2024

Published date: 26 September 2024

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Virgo Consultancy Services Ltd

Address(es): 265 Holton Road, Barry, Wales, CF63 4HT

Firm ID: 533850

Firm or organisation at date of publication

Name: Lisa's Law Limited

Address(es): 13 London Road, London, SE1 6JZ

Firm ID: 567608

Outcome details

This outcome was reached by agreement.

Reasons/basis

1.1 Chukwuemeka Mmegwa, a solicitor of Lisa's Law Limited, agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. he is rebuked
- b. the imposition of conditions on his practising certificate
- c. the publication of this agreement
- d. he will pay the costs of the investigation of £300.

1.2 The conditions to be imposed are that Mr Mmegwa:



- a. may not act as sole practitioner or a manager of any authorised body
- b. may not act as a Compliance Officer for Legal Practice (COLP) or Compliance Officer for Finance and Administration (COFA) for any authorised body
- c. may not practice on his own account under regulation 10.2(a) or (b) of the SRA Authorisation of Individuals Regulations.

1.3 In relation to these conditions, the terms are as defined in the SRA Glossary.

2. Summary of Facts

2.1 Mr Mmegwa was admitted on 15 February 2017. Since 3 April 2023 he has worked as an Associate at Lisa's Law Limited. He does not hold any managerial or supervisory responsibilities in his current role and his employer is aware of the SRA investigation.

2.2 Mr Mmegwa worked at Virgo Consultancy Services Limited (the firm) from 1 July 2014 until 31 March 2023. He was a director from 15 May 2019 until 31 March 2023. The firm was a licensed body and was owned by a non-authorised individual who is referred to as Mrs A.

2.3 A decision to intervene into the firm was made on 13 December 2023 and the intervention took place on 14 December 2023.

2.4 During the period of Mr Mmegwa's employment the firm had offices in Barry (the principal office) and London. Mr Mmegwa practised from the London office which ceased trading on 31 March 2023. Mrs A worked from the Barry Office and continued to do so until the intervention decision.

2.5 Mr Mmegwa held the following roles, all of which ended on 31 March 2023 when he left the firm:

- Head of Legal Practice (HOLP) – from 15 October 2019
- Head of Finance and Administration (HOFA) – from 15 October 2019
- AML Officer – from 15 October 2019
- Authorised to supervise – from 29 October 2021
- Designated complaints handler – from 1 March 2017
- Training principal – from 29 October 2021
- Organisation contact – from 31 May 2019
- Authorised signatory – from 1 June 2019

2.6 On 8 November 2021 the SRA received a report from Mrs A regarding the conduct of a former employee of the firm, a solicitor who it was believed had misled clients and colleagues about the progress of cases. The SRA also received ten other reports about this individual.



2.7 As a result of these reports, a forensic investigation in respect of the firm commenced on 14 March 2022 and concluded on 16 November 2022. The investigation identified Accounts Rules breaches and that the firm had failed to co-operate with the investigation. Due to the unreliable books of account the Forensic Investigation Officer (FIO) was unable to calculate whether the firm held sufficient funds in client account to match its liabilities to clients.

2.8 As the firm's HOLP and HOFA Mr Mmegwa had direct responsibility for compliance with the firm's regulatory obligations.

2.9 Compliance with the forensic investigation and failure to comply with the SRA Accounts Rules

2.10 In investigating the books of accounts, the FIO made a number of requests for information to allow him to complete a three-way reconciliation. However, although some information was received, he did not receive all information required to enable him to conclude that the firm's books of account were in order.

2.11 Direct discussions took place between the FIO and Mr Mmegwa on 6 May 2022 (by telephone) and on 4 July 2022 (in person) when Mr Mmegwa was reminded of his responsibilities and the seriousness of the situation. Despite this, Mr Mmegwa failed to provide clear answers to questions, gave conflicting accounts about how the firm dealt with reconciliations and failed to provide the information required.

2.12 When asked to explain why he could not produce the documents requested in a timely manner Mr Mmegwa failed to provide a satisfactory explanation.

2.13 On occasion, Mr Mmegwa sought to deflect responsibility for the management of the firm's accounts onto others, for example stating that the firm's Practice Manager had overall responsibility over accounting records. However, Mr Mmegwa also said that while the Practice Manager had experience of maintaining accounts he did not think he had worked in a law firm before doing accounts.

2.14 In total the FIO made 12 requests for the firm to provide documentation. Six deadlines were set by the FIO with five being extended at the firm's request.

2.15 Due to the lack of progress a Production Notice was issued to the firm on 12 July 2022. The deadline set by this notice was also extended at the firm's request.

2.16 However, these requests were not responded to adequately. The reasons provided to the FIO for the repeated failures to provide the documentation were:



- Difficulties caused by the situation left behind by Mr Mmegwa's former colleague.
- IT issues
- Staff shortages, staffing issues and illness
- Issues relating to Covid-19

2.17 In addition, the firm's most recent accountant's report at that time (for the period 1 August 2020 to 31 July 2021) contained confirmation of significant breaches of the SRA Accounts Rules and detailed client account shortages. This was not submitted to the SRA within six months of the end of the report period as required.

2.18 By the end of the investigation, no compliant client account reconciliation for any period had been provided resulting in the FIO being unable to form an opinion on the firm's books of accounts.

2.19 In addition, Mr Mmegwa failed to submit a qualified accountant's report for the period 1 August 2021 to 31 July 2022 by 31 January 2023 as required, which also identified significant breaches. Mr Mmegwa was the HOFA for the period covered by this accountant's report and at the time it should have been submitted.

2.20 Mr Mmegwa's subsequent responses between August and December 2023 in the ongoing SRA investigation failed to explain why he had been unable to provide basic accounts information, which should have been readily available.

2.21 Mr Mmegwa stated that he regularly checked the Practice Manager's work and describes having regular meetings with the Practice Manager and Mrs A to ensure that the firm was compliant with the SRA Accounts Rules. Mr Mmegwa has not explained why, if this was the case, no compliant client account reconciliation for any period could be provided.

2.22 Mr Mmegwa maintained that he rectified issues and met his responsibilities as HOLP and HOFA to the best of his ability and co-operated with the forensic investigation. He pointed out that the firm was under considerable pressure at a time when staffing was reduced, there were limited resources and the firm was trying to deal with issues caused by the departure of his former colleague. He denied that he attempted to lay the responsibility onto other parties and that the firm had presented a series of excuses, stating that reasons had been provided for delays.

2.23 Client complaints

2.24 Mr Mmegwa did not respond to or appropriately address the following client complaints:

2.25 Client A – The file indicated that the client's complaint was not responded to substantively. Some of the correspondence was addressed



to Mr Mmegwa by name. A decision by the Legal Ombudsman (LeO) also stated that the firm failed to investigate and respond to the client's complaint and that the firm's service in this regard was not reasonable.

2.26 Client B - LeO submitted a report to the SRA in relation to the firm's failure to co-operate with them. A final decision by LeO found, amongst other issues, that the firm's failure to provide a reasonable response to the client's complaint over several months had exacerbated his frustrations and distress.

2.27 Client C - The clients complained to the firm in April 2022 requesting a response within eight weeks or the firm's service would be reported to LeO. Initially queries were directed to Mrs A but the client was subsequently told that the file had been passed to Mr Mmegwa. Mr Mmegwa did not respond to contact from the client and in the absence of a response the clients submitted appeal paperwork themselves.

2.28 Client D - The client's initial complaint to the SRA referred to a complaint filed with the firm on 5 November 2021 against Mrs A for failure to make contact with him. The client requested a response in one week or the client would complain to the SRA. As of the date of the client's report to the SRA on 17 November 2021, the firm had not responded.

2.29 As the HOLP, Mr Mmegwa had a responsibility to ensure that complaints by clients were dealt with but failed to do so.

2.30 In the response Mr Mmegwa provided in December 2023 he maintained that he took a proactive role to ensure that client complaints were dealt with promptly and fairly but that delays arose because files of his former colleague did not accurately reflect work done.

3. Admissions

3.1 Mr Mmegwa makes the following admissions which the SRA accepts. That he:

- a. Failed to fulfil his duties and obligations as Head of Legal Practice and as Head of Finance & Administration, and in doing so breached:
 - i. Paragraphs 9.1 and 9.2 of the SRA Code of Conduct for Firms
 - ii. Principle 2 of the SRA Principles 2019.
- b. Failed to co-operate with the SRA and in doing so breached:
 - i. Paragraph 7.3 of the SRA Code of Conduct for Solicitors, RELs and RFLs (Code for Solicitors 2019)
 - ii. Principle 2 of the SRA Principles 2019.
- c. Failed to respond promptly to the SRA and/or provide accurate explanations, information and documents in response to requests and/or ensure that relevant information critical to the delivery of the firm's legal services was available for inspection, and in doing so breached:



- i. Paragraphs 7.4(a) and (b) of the Code for Solicitors 2019
 - ii. Principle 2 of the SRA Principles 2019.
- d. Failed to properly address and deal with client complaints on at least four occasions and in doing so breached:
 - i. Paragraph 8.5 of the Code for Solicitors 2019
 - ii. Principle 2 of the SRA Principles 2019.
- e. Failed to ensure proper accounting records and books of accounts were maintained including that reconciliations were undertaken every five weeks and that an accountant's report was obtained as required and delivered, where qualified, to the SRA, and in doing so breached:
 - i. Rule 8.3 and 12.1 of the SRA Accounts Rules 2019
 - ii. Principle 2 of the SRA Principles 2019.

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 Mmegwa and the following mitigation which he has put forward:

- a. That the firm was under pressure due to the conduct of his former colleague.
- b. The impact of reduced staffing levels and limited resources.
- c. That his ability to respond to client complaints was impacted by the actions of his former colleague and the impact of the Covid pandemic at the time of the events.
- d. Others held a level of responsibility in these matters, particularly Mrs A.

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

- a. Mr Mmegwa has now reflected and accepted he did not meet his regulatory obligations.
- b. Mr Mmegwa's conduct was reckless as to the risk of harm and his regulatory obligations.
- c. The failure to comply with the SRA Accounts Rules and failure to cooperate were contributing factors, along with other issues which arose after Mr Mmegwa's departure, to the decision to intervene in the firm.
- d. The conduct does not relate to his work as a solicitor outside of managerial responsibilities.
- e. The conduct does not include concerns relating to Mr Mmegwa's honesty or integrity.



- f. Mr Mmegwa was not the only individual at the firm who was responsible for compliance but he did have key responsibilities as HOLP and HOFA.
- g. Mr Mmegwa's current role does not include managerial or supervisory responsibilities. The added control, alongside a rebuke, of imposing conditions on his Practising Certificate will restrict Mr Mmegwa from holding managerial and compliance roles. It is therefore considered that this will ensure that there is a low risk of repetition.
- h. A rebuke is appropriate to maintain professional standards and uphold public confidence in the solicitors' progression and in legal services provided by authorised persons, because it reflects the seriousness of the misconduct and provides a credible deterrent to others.

5. Why the imposition of conditions is an appropriate outcome

5.1 The purpose of conditions is to:

- a. Control the risk of harm arising from a repetition of a breach of our regulatory standards/requirements.
- b. Restrict or prevent the involvement of an individual in certain activities or engaging in certain business agreements/associations or practising arrangements.
- c. Require an individual to take certain steps.
- d. Facilitate closer monitoring of an individual through regular reporting.

5.2 The SRA considers that the imposition of conditions is the appropriate outcome because:

- a. Given Mr Mmegwa's past conduct as a manager and compliance officer there is the risk of future breaches should he hold similar roles in the future.
- b. Mr Mmegwa has previously shown limited insight or acceptance in respect of his conduct. However, by making the admissions set out at paragraphs 3.1(a) - (e) of this agreement, he now accepts that his conduct was not appropriate.
- c. If Mr Mmegwa were to be employed in a managerial, compliance or supervisory role in the foreseeable future, the behaviour demonstrated by his past conduct is likely to be repeated in the absence of control.
- d. Conditions are available which address the risk of repetition, and which are reasonable and proportionate, realistic and measurable.
- e. The evidence demonstrates that Mr Mmegwa is unsuitable for a managerial, supervisory or compliance role, and therefore appointment to such roles should be restricted.

6. Publication

1.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. Chukwuemeka Mmegwa agrees to the publication of this agreement.

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

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

7.2 If Mr Mmegwa 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.

7.3 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.

8. Costs

8.1 Mr Mmegwa 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.

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