

**Hannides & Co Limited (Hannides & Co Limited)**  
**43-45 Shirley High Street, Shirley, Southampton , SO15 3UN**  
**Recognised body**  
**565974**

[Fined Date: 4 April 2024](#)

## **Decision - Fined**

Outcome: Fine

Outcome date: 4 April 2024

Published date: 10 May 2024

## **Firm details**

### **Firm or organisation at date of publication**

Name: Hannides & Co Limited

Address(es): 43-45 Shirley High Street, Shirley, Southampton

Firm ID: 565974

## **Outcome details**

This outcome was reached by SRA decision.

### **Decision details**

#### **Who does this disciplinary decision relate to?**

Hannides & Co Limited (the firm), is a recognised body, with its head office at 43-45 Shirley High Street, Shirley, Southampton SO15 3UN.

### **Summary of Decision**

The firm was fined £8,964 for failing to have in place or to maintain relevant documentation to prevent activities relating to money laundering and terrorist financing as required by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the MLRs 2017).

### **Facts of the misconduct**



In December 2021, the SRA proactive AML (anti-money laundering) team commenced an inspection of the firm's AML compliance. This identified various areas of concern surrounding the firm's compliance with requirements for a documented firm wide risk assessment (FWRA), its policies, controls and procedures (PCPs), client and matter risk assessments and AML training.

These concerns led to a referral to the SRA's AML investigation team. In April 2022, the firm was provided with guidance to help it come into compliance.

The firm implemented a documented FWRA in April 2022. It implemented a training policy in April 2022. It took some steps to update its PCPs but these require further improvement.

It was found that the firm:

**Allegation one:** Between 26 June 2017 and around 22 April 2022, failed to have in place a documented assessment of the risks of money laundering and terrorist financing to which its business was subject (a FWRA) pursuant to Regulation 18 of the MLRs 2017.

**Allegation two:** Since 26 June 2017, failed to establish and maintain adequate PCPs, to mitigate and effectively manage the risks of money laundering and terrorist financing pursuant to Regulation 19(1)(a) of the MLRs 2017, and regularly review and update them pursuant to Regulation 19(1)(b) of the MLRs 2017.

**Allegation three:** Failed to conduct client and matter risk assessments on eight client files, as required by Regulations 28(12)(a)(ii) and 28(13) of the MLRs 2017.

**Allegation four:** Failed to take appropriate measures to ensure that all relevant employees received AML training, as required by Regulation 24 of the MLRs 2017. In respect of allegations one and two, to the extent the conduct occurred before 25 November 2019, the firm:

- failed to achieve Outcome 7.5 of the SRA Code of Conduct 2011; and
- breached Principles 6 and 8 of the SRA Principles 2011.

In respect of all four allegations, to the extent the conduct occurred after 25 November 2019, the firm breached:

- Paragraph 2.1(a) of the Code of Conduct for Firms 2019; and
- Principle 2 of the SRA Principles 2019.

### **Decision on sanction**

The firm was directed to pay a financial penalty of £8,964 and ordered to pay costs of £1,350.

This was because the firm's conduct was serious by reference to the following factors in the SRA Enforcement Strategy:

1. Its conduct was a breach of its regulatory obligations which persisted for longer than was reasonable.
2. For a significant period of time the firm failed to have proper regard to the SRA's guidance and warning notices which explained what was required, the risks that failure to comply with AML requirements posed, and the regulatory consequences of failing to comply.
3. The firm was responsible for its own conduct which was serious and had the potential to cause harm to the public interest and to public confidence in the legal profession.

In view of the above, the firm's conduct was placed in conduct band C which has a financial penalty of 1.6% to 3.2% of annual domestic turnover. In light of aggravating factors, the firm's conduct was placed at the higher end of band C at C4 (2.8% of annual domestic turnover).

The following mitigating factors were considered:

1. The firm made admissions.
2. The firm took some remedial action.
3. There was no evidence that actual harm had materialised.

### **SRA Principles 2011**

Principle 6 You must behave in a way that maintains the trust the public places in you and in the provision of legal services.

Principle 8 You must run your business or carry out your role in the business effectively and in accordance with proper governance and sound financial and risk management principles.

### **SRA Code of Conduct 2011**

Outcome 7.5 You comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

### **SRA Principles 2019**

Principle 2 You act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.

### **SRA Code of Conduct for Firms (2019)**

Paragraph 2.1(a) 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

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