

B&C Solicitors (The Law Shop)
26 Northway, Scarborough , YO11 1JL
Recognised body
351484

[Agreement Date: 31 May 2024](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 31 May 2024

Published date: 31 May 2024

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 B&C Solicitors T/A The Law Shop (the Firm), a recognised body agrees to the following outcome to the investigation of its conduct by the Solicitors Regulation Authority (SRA):

- a. it is fined £7,658.
- b. to the publication of this agreement
- c. it will pay the costs of the investigation of £600.

2. Summary of Facts

2.1 The Firm has two partners, Ian Brickman and Catherine Mary Thomas. They are experienced solicitors and have run this practice since 1 December 2001.

2.2 Between 1 April 2020 to 31 March 2022, the Firm failed to maintain accurate and compliant books of accounts.

2.3 A Forensic Investigation Report (FIR) dated 16 August 2023 identified the following issues:



- i. client account reconciliations not completed on a five-weekly basis;
- ii. client ledgers not maintained contemporaneously.

2.4 The Firm was aware of the recurring nature of these breaches over a prolonged period of time. The Firm undertook no, or insufficient action to rectify the breaches to ensure:

- i. client account reconciliations were completed on a five-weekly basis and,
- ii. there was no delay in posting bookkeeping transactions and that client account ledgers were maintained contemporaneously.

2.5 The FIR also established a shortfall on client account from 30 April 2019. When withdrawing client money, the Firm failed to ensure that sufficient funds were held on behalf of that specific client to make the payment.

2.6 The Firm was aware of the ongoing nature of this breach. The Firm undertook no, or insufficient action to rectify the breach over a prolonged period of time.

2.7 The Firm failed to ensure the accountants reports for the year ending 31 March 2021 and 31 March 2022 were submitted on time to the SRA.

2.8 The accountant's report for the year end 31 March 2021 due by 30 September 2021. It was received by the SRA on 31 October 2022, thirteen months late. This accountant's report was qualified.

2.9 The accountant's report for the year end 31 March 2022 due by 30 September 2022. It was received by the SRA on 31 October 2022, one month late. This accountant's report was qualified.

3. Why a fine is an appropriate outcome

3.1 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.

3.2 The SRA considers that a fine is the appropriate outcome because:

- a. It involved ongoing breaches which remained unrectified over a significant period of time.
- b. It had the potential to cause harm to the Firm's clients if liabilities owed could not be met.
- c. The SRA was unable to promptly consider the qualifications in the accountant's reports. This had the potential to cause harm to the Firm's clients if liabilities could not be met.

3.3 A fine is appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services



provided by authorised persons. This is because of the possible impact upon the public's confidence in firms and in the provision of legal services generally. This is linked to a solicitor's failure, over a prolonged period of time, to comply with the SRA Accounts Rules. A financial penalty therefore meets the requirements of rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

4. Amount of the fine

4.1 The amount of the fine has been calculated in line with the SRA's published guidance on its approach to setting an appropriate financial penalty (the Guidance).

4.2 Having regard to the Guidance, the SRA and the Firm agree that the nature of the misconduct was high. This is because there are aggravating features of the breaches.

- i. The shortfall on client account remained unresolved for a period of time,
- ii. bank reconciliations were not completed,
- iii. client ledgers not maintained contemporaneously.

This amounted to:

- iv. deliberate behaviour with the pattern of behaviour over a prolonged period of time,
- v. the behaviour continued after it was known to be improper,
- vi. the Accounts Rules are to protect client's money. The partners of the Firm are experienced solicitors and have run the Firm since 2001. They would have known the importance of:
 - a. submitting accountants reports on time,
 - b. completing regular bank reconciliations,
 - c. making sure client ledgers were maintained contemporaneously,
 - d. making sure any shortfall on client account was quickly resolved.

The Guidance gives this type of misconduct a score of three.

4.3 The SRA considers that the impact of the misconduct was medium. This is because at the time of the SRA inspection and due to the size of the client account, there was a potential for moderate loss. The Guidance gives this level of impact a score of four.

4.4 The nature and impact scores add up to seven. The Guidance indicates a broad penalty bracket of between 1.6% and 3.2% of the Firm's annual domestic turnover is appropriate.

4.5 The SRA considers a basic penalty towards the middle of the bracket to be appropriate. This reflects just how important Accounts Rules are

and the length of time the breaches lasted for. Whilst the Firm is remedying the breaches, this is taking time. It has taken an inspection and an investigation for the Firm to resolve the breaches.

4.6 Based on the evidence the Firm has provided of annual domestic turnover for the most recent tax year, this results in a basic penalty of £8,061.

4.7 The SRA considers that the basic penalty should be reduced to £7,658. This reduction reflects that there has been some remediation and cooperation. It also reflects steps taken to remedy harm (by quickly ensuring the shortfall on client account was rectified upon the inspection taking place). The Firm also provided documents to show that three-way bank reconciliations are taking place.

4.8 The Firm does not appear to have made any financial gain or received any other benefit as a result of its conduct. Therefore, no adjustment is necessary to remove this, and the amount of the fine is £7,658.

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. The Firm agrees to the publication of this agreement.

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

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

6.2 If the Firm 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 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 3.2 of the Code of Conduct for Firms.

7. Costs

7.1 The Firm agrees to pay the costs of the SRA's investigation in the sum of £600. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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