

Gillian Huthart

Solicitor

146421

[Agreement Date: 26 April 2024](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 26 April 2024

Published date: 30 April 2024

Firm details

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

Name: Hutharts Law Firm

Address(es): Durham Road Chambers, 431 Durham Road, Low Fell, GATESHEAD, NE9 5AN

Firm ID: 525554

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Gillian Huthart, a solicitor of Hutharts Law Firm (the Firm), agrees to the following outcome to the investigation of her conduct by the Solicitors Regulation Authority (SRA):

- a. she is fined £5,411.
- b. to the publication of this agreement
- c. she will pay the costs of the investigation of £600.

2. Summary of Facts

2.1 Ms Huthart is a solicitor who was admitted to the Roll, on 3 September 1990. She has run her recognised sole practice (the Firm) since 2010.

2.2 Between 1 April 2011 to 31 March 2022, Ms Huthart failed to maintain accurate and compliant books of accounts.

2.3 Recurring issues were identified on the qualified Accountants Reports submitted for the years ending 2012 through to 2022.

2.4 These recurring issues were:

- i. client account reconciliations not completed on a five-weekly basis;
- ii. book-keeping transactions not carried out at the date of initiation and posted excessively late.

2.5 Ms Huthart was aware of the recurring nature of these breaches over a prolonged period of time. Despite this, Ms Huthart undertook no, or insufficient action to rectify the breaches. The result was that: a) client account reconciliations were not completed on a five-weekly basis and, b) there were delays in posting bookkeeping transactions and that client account ledgers were not maintained contemporaneously.

2.6 Ms Huthart failed to ensure the accountants reports for the year ending 31 March 2020 and 31 March 2021 were submitted on time to the SRA.

2.7 The accountant's report for the year end 31 March 2021 due by 30 September 2021 was received by the SRA on 6 September 2022, over eleven months late. This accountant's report was qualified.

2.8 The accountant's report for the year end 31 March 2022 due by 30 September 2022 was received by the SRA on 16 May 2023, over seven months 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 Ms Huthart agree that the nature of the misconduct was high. This is because there are aggravating features of the breaches in relation to bank reconciliations and late postings to client ledgers. This amounted to a deliberate pattern of behaviour over a prolonged period of time. This spanned both the SRA Handbook 2011 and SRA Standards and Regulations 2019. Additionally, the behaviour continued after it was known to be improper. The Accounts Rules are to protect client's money. Ms Huthart is an experienced solicitor and has run her recognised sole practice since 2010. She would have known the importance of submitting accountants reports on time, completing regular bank reconciliations and making sure client ledgers were maintained contemporaneously. The Guidance gives this type of misconduct a score of three.

4.3 The SRA considers that the impact of the misconduct was medium 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 16% and 49% of Ms Huthart's gross annual income 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. While Ms Huthart is remedying the breaches, this is taking time. It has taken an SRA investigation for her to resolve the breaches.

4.6 Based on the evidence Ms Huthart has provided of her gross annual income for the most recent tax year, this results in a basic penalty of £6,366.

4.7 We recommend that the basic penalty should be discounted by 15%. This is to take account that there has been some remediation and cooperation, and steps taken to remedy harm.



4.8 Ms Huthart does not appear to have made any financial gain or received any other benefit because of her conduct. Therefore, no adjustment is necessary to remove this, and the amount of the fine is £5,411.

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. Ms Huthart agrees to the publication of this agreement.

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

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

6.2 If Ms Huthart 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 Ms Huthart 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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