

Hilary Brown

Non-lawyer manager

605087

[Employee-related decision Date: 21 November 2024](#)

Decision - Employee-related decision

Outcome: Control of non-qualified staff (Section 43 / Section 99 order)

Outcome date: 21 November 2024

Published date: 9 January 2025

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Virgo Consultancy Services Ltd

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

Firm ID: 533850

Outcome details

This outcome was reached by SRA decision.

Decision details

Who does this decision relate to?

Hilary Brown who is not a solicitor, was an owner and manager at Virgo Consultancy Services Limited (the firm), previously based at 265 Holton Road, Barry, CF63 4HT.

Summary of decision

Ms Brown was made subject to a disqualification order under section 99 of the Legal Services Act 2007.

The SRA has disqualified Ms Brown from holding any of the following roles in law firms regulated by the SRA:

- Head of Legal Practice
- Head of Finance and Administration
- A manager

The facts of the case

Ms Brown was the owner and sole non-qualified manager of the firm, which was a licensed body. The SRA decided to intervene into the firm on 13 December 2023. The intervention was on the grounds that the firm and its managers had failed to comply with the terms of the firm's licence.

It was found that:

Allegation One

1. Between 31 March 2023 and 14 December 2023, Ms Brown breached the terms of Virgo Consultancy Services Limited (the firm's) authorisation by failing to have in place:
 - a. at least one manager that was an authorised person
 - b. a manager or employee who was a lawyer who had practised for a minimum of three years and supervised the work undertaken by the licensed body
 - c. an individual who was designated as the licensed body's HOLP and HOFA.

In doing so, Ms Brown breached Rules 8.1, 9.4(a) and 14.1 of the SRA Authorisation of Firms Rules 2019 and Principle 2 of the SRA Principles 2019.

Allegation Two

2. Between 7 August 2023 and 19 November 2023, Ms Brown continued to provide advice and assistance to clients in relation to immigration law, despite knowing that she and the firm were no longer authorised to do so.

In doing so, Ms Brown breached Paragraphs 3.1 and 4.3 of the SRA Code of Conduct for Firms 2019, and Principles 2 and 7 of the SRA Principles 2019.

Allegation Three

3. Ms Brown failed to ensure that the firm:
 - a. prepared proper three way reconciliations at least every five weeks and
 - b. obtained accountant's reports (for the periods ending 31 July 2021 and 31 July 2022) within six months of the end of those periods and delivered them, where qualified, to the SRA.

In doing so, Ms Brown breached Rules 8.3 and 12.1 of the SRA Accounts Rules 2019 and Principle 2 of the SRA Principles 2019.

Allegation Four

4. Ms Brown failed to adequately co-operate with the SRA or provide relevant information critical to the delivery of legal services including during a forensic investigation of the firm.

In doing so, Ms Brown breached Paragraphs 3.2 and 3.3 of the SRA Code of Conduct for Firms 2019 and Principle 2 of the SRA Principles 2019.

Allegation Five

5. When acting in two separate client matters, Ms Brown failed to maintain accurate files or provide a bill of costs or other written notification of the costs incurred to the clients or any paying party before using client money to pay the firm's costs.

In doing so, Ms Brown breached Rule 4.3 of the SRA Accounts Rules 2019, Paragraphs 2.2 of the SRA Code of Conduct for Firms 2019 and Principles 2 and 7 of the SRA Principles 2019.

6. In respect of all the above allegations (1-5), Ms Brown was found to have been reckless.

Our decision on sanction

Ms Brown conduct breached relevant duties that applied to her as an employee of the firm, namely, the SRA Accounts Rules 2019, the SRA Authorisation of Firm Rules 2019, the SRA Code of Conduct for Firms 2019 and the SRA Principles 2019.

It was found that it would be undesirable for Ms Brown to act as a Head of Legal Practice, Head of Finance and Administration or a manager of a body licensed in accordance with section 99 of the Legal Services Act 2007.

Ms Brown was disqualified from holding any of these roles.

She was also directed to pay costs of £1,350.

SRA Standards and Regulations breached**SRA Authorisation of Firms Rules**

Rule 8.1 An authorised body must at all times have an individual who is designated as its COLP and an individual who is designated as its COFA, and whose designations the SRA has approved.

Rule 9.4(a) An authorised body must have at least one manager or employee, or must procure the services of an individual, who:



- a. is a lawyer and has practised as such for a minimum of three years; and
- b. supervises the work undertaken by the authorised body (or, if the body is a licensed body, the work undertaken by the body that is regulated by the SRA in accordance with the terms of the body's licence).

Rule 14.1 If the last remaining legally qualified manager of an authorised body whose role ensures the body's compliance with the eligibility requirements for its authorisation under rule 1:

- a. is sentenced to imprisonment;
- b. becomes unable to carry on their role because of incapacity;
- c. abandons the business;
- d. is made subject to a restriction, condition or other regulatory decision by the SRA or another regulatory body which would prevent or restrict them acting as a manager, or
- e. is unable to fulfil the role for any other reason,

the body must inform the SRA within seven days of becoming aware of the relevant event and, within 28 days of becoming aware of the event, must either become eligible for authorisation (without reference to the manager in question), or cease to carry on reserved legal activities and to hold themselves out as an authorised body.

SRA Code of Conduct for Firms 2019

Paragraph 2.2 You keep and maintain records to demonstrate compliance with your obligations under the SRA's regulatory arrangements.

Paragraph 3.1 You keep up to date with and follow the law and regulation governing the way you work.

Paragraph 3.2 You co-operate with the SRA, other regulators, ombudsmen and those bodies with a role overseeing and supervising the delivery of, or investigating concerns in relation to, legal services.

Paragraph 3.3 You respond promptly to the SRA and:

- a. Provide full and accurate explanations, information and documentation in response to any requests or requirements
- b. Ensure that the relevant information which is held by you, or by third parties carrying out functions on your behalf which are critical to the delivery of your legal services, is available for inspection by the SRA.

Paragraph 4.3 You ensure that your managers and employees are competent to carry out their role, and keep their professional knowledge and skills, as well as understanding of their legal, ethical and regulatory obligations, up to date.

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

Principle 7 You act in the best interest of each client

SRA Accounts Rules 2019

Rule 4.3 Where you are holding client money and some or all of that money will be used to pay your costs:

- a. you must give a bill of costs, or other written notification of the costs incurred, to the client or the paying party;
- b. this must be done before you transfer any client money from a client account to make the payment; and
- c. any such payment must be for the specific sum identified in the bill of costs, or other written notification of the costs incurred, and covered by the amount held for the particular client or third party.

Rule 8.3 You complete at least every five weeks, for all client accounts held or operated by you, a reconciliation of the bank or building society statement balance with the cash book balance and the client ledger total, a record of which must be signed off by the COFA or a manager of the firm. You should promptly investigate and resolve any differences shown by the reconciliation.

Rule 12.1 If you have, at any time during an accounting period, held or received client money, or operated a joint account or a client's own account as signatory, you must:

- a. obtain an accountant's report for that accounting period within six months of the end of the period; and
- b. deliver it to the SRA within six months of the end of the accounting period if the accountant's report is qualified to show a failure to comply with these rules, such that money belonging to clients or third parties is, or has been, or is likely to be placed, at risk.

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