

Davinderjit Singh

Solicitor

450973

[Agreement Date: 26 March 2024](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 26 March 2024

Published date: 28 March 2024

Firm details

Firm or organisation at time of matters giving rise to outcome

Name: Crown Gate Law Solicitors

Address(es): 203 Soho Road, Birmingham, B21 9SX

Firm ID: 605826

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Davinderjit Singh (Mr Singh), a solicitor and former owner of Crown Gate Law Solicitors (the Firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):

- a. he is fined £1,347.53
- b. to the publication of this agreement
- c. he will pay the costs of the investigation of £675.

2. Summary of Facts

2.1 The client instructed the Firm in or around November 2019 to act on his behalf in matrimonial proceedings. The principal fee earner on his matter was Ms Ranuka Deol (Ms Deol), a solicitor employee of the Firm. The client paid £1,400 in cash to the Firm on account for his matrimonial matter. The Firm closed on 30 January 2022 while the client's matter was

ongoing. The client was not informed of the Firm's closure and the money he had paid on account was not returned to him.

2.2 The client made payments to the Firm in two instalments. The first payment of £400 was made on 25 November 2019. This was billed for work undertaken on his matrimonial matter and was attributed to the client ledger for the client's matter.

2.3 On 3 September 2020, Ms Deol sent a letter to the client requesting the payment of £1,000 on account for fees and disbursements relating to his matrimonial matter. On 7 October 2020, the client's mother attended the Firm's offices where she provided £1,000 in cash to Ms Deol on behalf of the client's matrimonial matter.

2.4 While at the Firm's offices, Ms Deol counted the monies in front of the client's mother. Ms Deol then handed the monies to a legal assistant, who was tasked with taking the money to the accounts department so that it could be deposited into the client account. The accounts department at the Firm consisted of Mr Singh and one other employee. A receipt was then provided to the client's mother which confirmed receipt of the £1,000 on behalf of the client's matrimonial matter. This receipt was dated 7 October 2020 and included the client's file reference.

2.5 Shortly after the client's mother made the payment, the client placed his matter on hold and no further work was conducted on his matter. The client then visited the Firm's former offices in or around August 2022 to discuss his matrimonial matter, to find that the Firm had closed. It was at this point that the client realised that his money had not been returned to him.

2.6 The £1,000 was not deposited into the client account for the client's matter and was not attributed to the client ledger. Once the Firm took possession of the client's money, it failed to account for this properly by failing to deposit the monies into the client account. When the Firm became aware of its impending closure in January 2022 while the client's matter remained on hold, the money was not returned to the client as required under the SRA Accounts Rules 2019.

2.7 At the relevant time, Mr Singh was a manager and owner of the Firm. He also held all the roles at the Firm, including Compliance Officer for Finance and Administration. At the time of the Firm's closure, Mr Singh was the sole manager and owner of the Firm. Liability for the Firm's actions rests with Mr Singh post-closure.

3. Admissions

3.1 Mr Singh makes the following admissions which the SRA accepts:

- a. On 7 October 2020, the Firm accepted a £1,000 cash payment to be held on account for the client's matrimonial matter which was not



properly paid into the client account.

4. Why a fine 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 Singh and the following mitigation which he has put forward:

- a. Mr Singh was not personally involved in the transaction on 7 October 2020.

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

- a. The conduct caused financial harm to the client which remains ongoing.
- b. Mr Singh, via the Firm, had direct control and responsibility for client money once it came into the Firm's possession.
- c. It is possible that a financial benefit was gained from the conduct.
- d. The breach has not been rectified and has persisted for longer than is reasonable.

4.4 A fine is appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons because:

- a. The misconduct concerns the handling of client monies. This should be handled with the upmost care due to the sacrosanctity of the client money. The public often place their trust in solicitors and law firms to safeguard their money and assets. The poor systems in place at the Firm at the time have meant that client money was not properly safeguarded, causing a loss to the client.
- b. The client has suffered a financial loss of £1,000, which has not been remedied. Once Mr Singh became aware of the breach, he should have taken steps to rectify that breach and return the monies to the client.
- c. Mr Singh was responsible for ensuring that adequate measures were in place for accepting cash payments from clients and ensuring that money is promptly paid into the client account.
- d. Mr Singh has 16 years' post qualification experience. He is expected to have a better understanding of what is required of firms under the SRA Accounts Rules 2019.

A financial penalty therefore meets the requirements of rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

5. Amount of the fine



5.1 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).

5.2 Having regard to the Guidance, the SRA and Mr Singh agree that the nature of the misconduct was low or medium because the conduct appears to have arisen as a result of poor systems at the Firm amounting to recklessness or negligence. The Guidance gives this type of misconduct a score of one.

5.3 The SRA considers that the impact of the misconduct was medium because the conduct caused a moderate financial loss to the client of £1,000. The Guidance gives this level of impact a score of four.

5.4 The nature and impact scores add up to five. The Guidance indicates a broad penalty bracket of £612.52 to £1,347.53 of Mr Singh's annual income is appropriate.

5.5 In deciding the level of fine within this bracket, the SRA has considered the mitigation at paragraph 4.2 above which Mr Singh has put forward:

- a. Mr Singh was not personally involved in the transaction on 7 October 2020.

5.6 In considering where the conduct should sit within the bracket, we have considered the aggravating and mitigating factors. The SRA considers that despite the fact that Mr Singh did not have any personal involvement in the transaction, he had direct responsibility for ensuring his employees adhered to the proper procedures for dealing with client monies. Due to the harm involving client monies, which is treated as inherently more serious, and the lack of remedial action taken by Mr Singh on behalf of the Firm, the fine should sit at the higher end of the bracket. The SRA considers a basic penalty of £1,347.53, which is at the top of the bracket, to be appropriate.

5.7 The SRA considers that the basic penalty should not be reduced. A reduction is not necessary because:

- a. Mr Singh did not self-report this matter.
- b. Mr Singh, on behalf of the Firm, has failed to, and continues to fail to, remedy the breach which has been ongoing since the Firm closed.

5.8 Mr Singh does not appear to have made any financial gain or received any other benefit above the level of the basic penalty as a result of their conduct. Therefore, no adjustment is necessary to remove this, and the amount of the fine is £1,347.53.

6. Publication

6.1 The SRA considers it appropriate that this agreement is published in the interests of transparency in the regulatory and disciplinary process. Mr Singh agrees to the publication of this agreement.

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

7.1 Mr Singh 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 Singh denies the admissions referred to in paragraph 3.1 above, 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 Singh agrees to pay the costs of the SRA's investigation in the sum of £675. Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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