

Proctor & Hobbs Limited (Proctor & Hobbs Limited)

**Unit 1 Campus Road, Listerhills Science Park,
Bradford , BD7 1HR**

**Recognised body
665229**

[Fined Date: 13 June 2024](#)

Decision - Fined

Outcome: Fine

Outcome date: 13 June 2024

Published date: 15 July 2024

Firm details

No detail provided:

Outcome details

This outcome was reached by SRA decision.

Decision details

Short summary of decision

The firm was directed to pay a financial penalty for charging clients 35% of their recovered damages, in contravention of the Damages-Based Agreements Regulations 2013 (the Regulations) which provide for a recovery of costs of up to 25% of recovered damages. Facts of the misconduct

An investigation into the firm identified that in all of the 13 sampled client files relating to road traffic accident (RTA) personal injury claims, 35% of damages were deducted by the firm in respect of its legal fees. Each of the 13 settlements post-dated the Regulations. It later transpired that there were at least 26 client files where this occurred.

The Regulations state that in claims arising from RTAs on or after 31 March 2021 where the amount claimed for injuries is not more than £5,000, a maximum of 25% of damages can be deducted by a firm for its fees.

As a result of the SRA's investigation, the firm obtained independent advice regarding the level of recoverable costs and was advised that it was not in fact entitled to deduct 35% from clients' damages. The firm subsequently rectified the overcharging of affected clients by refunding any deductions over 25% and paying compensation of £100 to each client. It was found that:

- a. The firm failed to comply with the Regulations and in doing so it breached:
 - Paragraphs 2.1 and 3.1 of the Code of Conduct for Firms and
 - Principle 7 of the SRA Principles 2019.
- b. The firm failed to act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons, and in doing so breached Principle 2 of the SRA Principles 2019.

Decision on sanction

The firm was directed to pay a financial penalty of £10,729.78 and ordered to pay costs of £1,350.

It was decided that a financial penalty was an appropriate and proportionate sanction by reference to the following factors in the SRA's Enforcement Strategy:

- The firm had full responsibility for its conduct, which was serious.
- Clients will have been placed in a disadvantageous negotiating position in agreeing to the firm's 35% deduction from damages.
- The firm breached Principle 2 and 7 of the SRA Principles 2019, and Paragraphs 2.1 and 3.1 of the Code of Conduct.
- Any lesser sanction would not provide a credible deterrent to the firm and others. A credible deterrent plays a key role in maintaining professional standards and upholding public confidence.

In view of the above, the firm's conduct was placed in band C which has a financial penalty bracket of between 1.6% and 3.2% of its annual domestic turnover. Its conduct was placed toward the top end of this bracket at band C4, which attracts a penalty of 2.8% of the firm's annual domestic turnover.

In terms of mitigating factors, the financial penalty was reduced to give credit for the firm's swift and decisive action once the issue had been identified, refunding the overpayments to clients with an additional £100 each by way of compensation.

SRA Principles breached

SRA Principles

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 interests of each client.

Code of Conduct for Firms

Paragraph 2.1 You have effective governance structures, arrangements, systems and controls in place that ensure:

- a. you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you;
- b. your managers and employees comply with the SRA's regulatory arrangements which apply to them;
- c. your managers and interest holders and those you employ or contract with do not cause or substantially contribute to a breach of the SRA's regulatory arrangements by you or your managers or employees;
- d. your compliance officers are able to discharge their duties under paragraphs 9.1 and 9.2 below.

Paragraph 3.1

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

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