

Placidi Law Company Limited (Devall Law)
27 Middle Road, Park Gate, Southampton , SO31
7GH
Recognised body
513154

[Agreement Date: 4 December 2024](#)

Decision - Agreement

Outcome: Regulatory settlement agreement

Outcome date: 4 December 2024

Published date: 17 December 2024

Firm details

No detail provided:

Outcome details

This outcome was reached by agreement.

Decision details

1. Agreed outcome

1.1 Placidi Law Company Limited t/a Devall law (the Firm), a recognised body, authorised and regulated by the Solicitors Regulation Authority (SRA) agrees to the following outcome to the investigation:

- a. Placidi Law Company Limited will pay a financial penalty in the sum of £7,200, under Rule 3.1(b) of the SRA Regulatory and Disciplinary Procedures Rules,
- b. to the publication of this agreement, under Rule 9.2 of the SRA Regulatory and Disciplinary Procedures rules; and
- c. Placidi Law Company Limited will pay the costs of the investigation of £600, under Rule 10.1 and schedule 1 of the SRA Regulatory and Disciplinary Rules.

2. Summary of Facts

2.1 We carried out an investigation into the firm following a desk-based review by our AML Proactive Supervision team.



2.2 Our desk-based review identified areas of concern in relation to the firm's compliance with the Money Laundering, Terrorist Financing (Information on the Payer) Regulations 2017 (MLRs 2017), the SRA Principles 2011, the SRA Code of Conduct 2011, the SRA Principles 2019 and the SRA Code of Conduct for Firms 2019.

Firm-wide risk assessment

2.3 Between 26 June 2017 and 29 September 2023, the firm failed to have in place a documented assessment of the risks of money laundering and terrorist financing to which its business was subject (a firm-wide risk assessment (FWRA)), pursuant to Regulations 18(1) and 18(4) of the MLRs 2017.

2.4 Between 30 September 2023 and 16 October 2024, the firm failed to have in place an appropriate FWRA that identified and assessed the risks of money laundering to which it was subject, taking into account all risk factors, pursuant to Regulation 18(2) of the MLRs 2017.

2.5 Despite the firm's current compliance with Regulation 18 of the MLRs 2017, it was not compliant for the period from June 2017 to October 2024.

Policies, controls and procedures

2.6 Between 6 October 2011 and 25 June 2017, the firm failed to establish and maintain fully compliant and risk-sensitive policies and procedures (P&Ps), pursuant to Regulation 20(1) of the MLRs 2007.

2.7 Between 26 June 2017 and 5 September 2019, the firm failed to establish, and thereafter between 6 September 2019 and 15 October 2024, maintain policies, controls, and procedures (PCPs), to mitigate and manage effectively the risks of money laundering and terrorist financing, identified in any risk assessment (FWRA), pursuant to Regulation 19(1)(a) of the MLRs 2017 and/or regularly review and update them pursuant to Regulation 19(1)(b) of the MLRs 2017.

3. Admissions

3.1 The firm admits, and the SRA accepts, that by failing to comply with the MLRs 2007 and MLRs 2017, it has breached:

From 6 October 2011 to 24 November 2019 (when the SRA Handbook 2011 was in force), the firm breached:

- a. Principle 6 of the SRA Principles 2011 – which states you must behave in a way that maintains the trust the public places in you and in the provisions of legal services.



- b. Principle 8 of the SRA Principles 2011 – which states you must run in your business or carry out your role in the business effectively and in accordance with proper governance and sound financial risk management principles.

And the firm failed to achieve:

- c. Outcome 7.2 of the SRA Code of Conduct 2011 – which states you have effective systems and controls in place to achieve and comply with all the Principles, rules and outcomes and other requirements of the Handbook, where applicable.
- d. Outcome 7.3 of the SRA Code of Conduct 2011 – which states you must achieve these Outcomes: you identify, monitor and manage risks to compliance with all the Principles, rules and outcomes and other requirements of the Handbook, if applicable to you, and take steps to address issues identified.
- e. Outcome 7.4 of the SRA Code of Conduct 2011 – which states you respond promptly to the SRA and:
 - i. provide full and accurate explanations, information and documents in response to any request or requirement; and
 - ii. ensure that 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.
- f. Outcome 7.5 of the SRA Code of Conduct 2011 – which states you comply with legislation applicable to your business, including anti-money laundering and data protection legislation.

And from 25 November 2019 (when the SRA Standards and Regulations came into force) until October 2024, the firm breached:

- g. Principle 2 of the SRA Principles 2019 – which states you act in a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons.
- h. Paragraph 2.1(a) of the SRA Code of Conduct for Firms 2019 – which states you have effective governance structures, arrangements, systems and controls in place that ensure you comply with all the SRA's regulatory arrangements, as well as with other regulatory and legislative requirements, which apply to you.
- i. Paragraph 3.1 of the SRA Code of Conduct for Firms 2019 – which states that you keep up to date with and follow the law and regulation governing the way you work.
- j. Paragraph 3.2. of the SRA Code of Conduct for Firms – which states you cooperate 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.
- k. Paragraph 3.3(a) of the SRA Code of Conduct for Firms – which states you must respond promptly to the SRA and provide full and



accurate explanations, information, and documents in response to any request or requirement.

4. Why a fine is an appropriate outcome

4.1 The conduct showed a disregard for statutory and regulatory obligations and had the potential to cause harm, by facilitating dubious transactions that could have led to money laundering (and/or terrorist financing). This could have been avoided had the firm established adequate AML documentation and controls.

4.2 It was incumbent on the firm to meet the requirements set out in the MLRs 2007 and MLRs 2017. The firm failed to do so. The public would expect a firm of solicitors to comply with its legal and regulatory obligations, to protect against these risks as a bare minimum.

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

- a. The agreed outcome is a proportionate outcome in the public interest because it creates a credible deterrent to others and the issuing of such a sanction signifies the risk to the public, and the legal sector, that arises when solicitors do not comply with anti-money laundering legislation and their professional regulatory rules.
- b. There has been no evidence of harm to consumers or third parties and there is a low risk of repetition.
- c. The firm has eventually assisted the SRA throughout the investigation.
- d. The firm did not financially benefit from the misconduct.

4.4 Rule 4.1 of the Regulatory and Disciplinary Procedure Rules states that a financial penalty may be appropriate to maintain professional standards and uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. There is nothing within this Agreement which conflicts with Rule 4.1 of the Regulatory and Disciplinary Rules and on that basis, a financial penalty is appropriate.

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 the firm agree the nature of the misconduct was more serious (score of three). This is because the firm should have been aware of its obligation to have in place FWRA and P&Ps/PCPs. In addition, the majority of the firm's work falls within scope of the MLRs 2017 (and previously the MLRs 2007), therefore the firm should have been familiar with the obligations



imposed by the regulations and should have implemented strict adherence.

5.3 Consequently, the firm has failed to meet the requirements of the regulations for a number of years. Although, the firm now has compliant documents, which are in proper use, the firm was left vulnerable for a significant amount of time prior to this.

5.4 The impact of harm or risk of harm score is assessed as being medium (score of four). This is because the nature of conveyancing is considered high-risk, owing to the risk of abuse of the system by criminals. Our records indicate the firm carries out a high percentage of work in scope of the money laundering regulations, with the majority of coming from residential conveyancing (50%), commercial conveyancing (35%) and probate (11%). This puts it at a higher risk of being used to launder money. Although there is no evidence of any harm being caused, as a result of the firm not having a FWRA (until September 2023) or P&Ps/PCPs (until September 2019) which were not compliant until later in October 2024, given the nature of its work, the firm had the potential to cause moderate impact by this conduct.

5.6 The 'nature' of the conduct and the 'impact of harm or risk of harm' added together give a score of seven. This places the penalty in Band 'C', as directed by the Guidance, which indicates a broad penalty bracket of between 1.6% and 3.2% of the firm's annual domestic turnover.

5.7 The inadequacies have been identified from when the SRA Handbook 2011 came into force on 6 October 2011. Although the MLRs 2007 came into force on 15 December 2007, and were superseded by the MLRs 2017 on 26 June 2017, for proportionality of pleading we have limited the more historical aspect of the allegations to the start of the SRA Handbook 2011.

5.8 While the inadequacies did persist over a period of over thirteen years, There is evidence by the firm of attempts to mitigate the risk of money laundering, given that some documents were in place, yet needed adapting to meet the requirements of the regulations. The SRA therefore considers a basic penalty in the middle of the bracket to be appropriate.

5.9 Based on the evidence the firm has provided of its annual domestic turnover (at the time the outcome was agreed), this results in a basic penalty of £7,200.

5.10 The SRA does not consider that the basic penalty should be reduced. This is because despite the firm's current compliance with the MLRs 2017 (in terms of its FWRA and PCPs), it failed to cooperate with SRA's AML Proactive Supervision team for several months, which included several emails, and further emails from the AML Investigation Officer.

The firm did ultimately engage with the SRA, following a telephone call to the firm's compliance officer, reminding him of his firm's obligations to respond promptly to the SRA.

5.11 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 £7,200.

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. The firm agrees to the publication of this agreement.

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

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

7.2 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.

7.3 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.

8. Costs

8.1 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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