

## Akef Akbar Solicitor 574386

#### Agreement Date: 31 May 2024

### **Decision - Agreement**

Outcome: Regulatory settlement agreement

Outcome date: 31 May 2024

Published date: 3 June 2024

## Firm details

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

Name: Tyler Hoffman Ltd

Address(es): 15 Cheapside, Wakefield, WF1 2SD

Firm ID: 633499

## **Outcome details**

This outcome was reached by agreement.

#### **Decision details**

#### **1. Agreed outcome**

- 1. Mr Akef Mohammed Akbar, a director of Tyler Hoffman Ltd (the Firm), agrees to the following outcome to the investigation of his conduct by the Solicitors Regulation Authority (SRA):
  - a. he is fined £ £5,008
  - b. to the publication of this agreement
  - c. he will pay the costs of the investigation of £600.

#### 2. Summary of Facts

1. The SRA commenced a Forensic Investigation at the Firm in March 2023 in relation to a separate report regarding a fee earner at the Firm. While carrying out the inspection the Forensic Investigation Officer (FIO) discovered a number of issues relating to the Firm's accounts.



- 2. The issues discovered by the FIO are detailed in the Forensic Investigation Report (FIR) dated 6 July 2023. The issues detailed in the FIR are:
  - 1. There was a shortage on the client account caused by over transfers and over payments.
  - 2. The Firm had failed to obtain accountants reports.
  - 3. The Firm had failed to carry out three-way client account reconciliations.
  - 4. The Firm failed to maintain records of all receipts that were not client money or bills of costs on the client ledgers.

#### 3. Admissions

- 1. Mr Akbar makes the following admissions which the SRA accepts:
  - a. Between 28 October 2018 and 2 September 2022 he failed to prevent 30 over transfers and overpayments which led to a shortage on the Firm's client account of £7,125.85 and in doing so has breached Rule 5.3 of the SRA Accounts Rules 2018 and Paragraph 5.2 of the Code of Conduct for Firms 2019.
  - b. Since October 2016 and July 2023 he failed to obtain accountants reports and in doing so has breached Rules 1.2 (i) and 32.1 of the SRA Accounts Rules 2011 and Rule 12.1 of the SRA Accounts Rules 2019.
  - c. From October 2016 to July 2023 he failed to carry our threeway client account reconciliations and as a consequence has breached Rules 1.2 (e) and 29.12 of the SRA Accounts Rules 2011, Rules 8.1 and 8.3 of the SRA Accounts Rules 2019 and Paragraph 2.2 of the Code of Conduct for Firms 2019.
  - d. From October 2016 to July 2023 he failed to maintain records of all receipts that were not client money or bills of costs on the client ledgers and in doing so has breached Rules 1.2 (f), 29.2, 29.4 and 29.9 of the SRA Accounts Rules 2011, Rule 8.1 of the SRA Accounts Rules 2019 and Paragraph 2.2 of the Code of Conduct for Firms 2019.
  - e. By virtue of the allegations raised above Mr Akbar also admits that he has breached Rule 6.1 of the SRA Accounts Rules 2011 and Paragraphs 2.3, 9.1 and 9.2 of the Code of Conduct for Firms 2019.

#### 4. Why a fine is an appropriate outcome

- 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.
- 2. When considering the appropriate sanctions and controls in this matter, the SRA has taken into account the admissions made by Mr Akbar and the following mitigation which he has put forward:
  - a. He has taken steps to amend and update procedures in regards to the firm's accounting and all issues have been rectified.



- b. He has co-operated fully with its investigation, including the timely provision of all necessary information.
- c. He does not have any prior regulatory history. We consider that there is a low risk of repetition.
- 3. The SRA considers that a fine is the appropriate outcome because:
  - a. Mr Akbar's behaviour was reckless and showed a disregard for his regulatory obligations to exercise proper management over the firm's accounts. The lack of control and oversight of the firm's client account led to a shortage on the account.
  - b. A financial penalty is appropriate to maintain professional standards because Mr Akbar's conduct was serious, and any lesser sanction would not provide a credible deterrent to Mr Akbar and others.
- 4. A fine is appropriate to uphold public confidence in the solicitors' profession and in legal services provided by authorised persons. A financial penalty therefore meets the requirements of rule 4.1 of the Regulatory and Disciplinary Procedure Rules.

#### 5. Amount of the fine

- 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).
- 2. Having regard to the Guidance, the SRA and Mr Akbar agree that the nature of the misconduct was more serious because the conduct had arisen as a result of recklessness or negligence and formed a pattern of misconduct. The Guidance gives this type of misconduct a score of three.
- 3. The SRA considers that the impact of the misconduct was medium because, while the shortage on the client account was for a relatively low sum, the client account was overdrawn and should never be so. The Guidance gives this level of impact a score of four.
- 4. The nature and impact scores add up to seven. The Guidance indicates a broad penalty bracket of between 1.6% and 3.2% of Mr Akbar's gross annual income is appropriate.
- 5. In deciding the level of fine within this bracket, the SRA has considered the mitigation at paragraph 4.2 above which Mr Akbar has put forward.
- 6. On this basis, the SRA considers a basic penalty of £8,480 appropriate. This is because the client account shortage was relatively low and caused by accounting errors from over payments and over transfers rather than an actual loss of monies owned by the client, and this was rectified as soon as discovered. The lack of accountants reports were only necessary in recent years and they have been completed retrospectively and are up to date. Reconciliations are now also up to date.
- 7. The SRA considers that the basic penalty should be reduced by 40% to £5,008. This reduction reflects the actions taken by Mr Akbar post



breach including, making early admissions, remedying the harm caused and cooperating fully with the investigation.

8. Mr Akbar has not made any financial gain or received any other benefit as a result of his conduct. Therefore, no adjustment is necessary to remove this and the amount of the fine is £5,008.

#### 6. Publication

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

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

- 1. Mr Akbar agrees that he will not deny the admissions made in this agreement or act in any way which is inconsistent with it.
- 2. If Mr Akbar 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.
- 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

1. Mr Akbar agrees to pay the costs of the SRA's investigation in the sum of  $\pm 600$ . Such costs are due within 28 days of a statement of costs due being issued by the SRA.

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